



MINIMUM INTERNAL CONTROL STANDARDS FOR GROUP I AND GROUP II LICENSEES

Note: When adopted in 1997, these standards applied to both Group I and Group II licensees. In February 2000, the Nevada Gaming Commission amended the definition of “Group II licensee” and revised Regulation 6.090 to require that Group II licensees (i.e., redefined as those licensees with annual gross gaming revenues of less than \$3 million) follow Internal Control Procedures rather than the Minimum Internal Control Standards. Therefore, although these standards make numerous references to Group II licensees, these standards no longer apply to such licensees – they only apply to those licensees with annual gross gaming revenues of \$3 million or more. References to Group II licensees will be deleted with the next formal revision of the Minimum Internal Control Standards.

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The following are the sections and applicable version numbers of the Nevada Gaming Control Board's Minimum Internal Control Standards for Group I and II nonrestricted licensees.

<u>Section</u>	<u>Version #</u>	<u>Effective Date</u>
Slots	4	January 1, 1997
Table Games	4	January 1, 1997
Card Games	4	January 1, 1997
Computerized Keno	4	January 1, 1997
Manual Keno	3	August 9, 1991
Bingo	4	January 1, 1997
Race and Sports Books	4	January 1, 1997
Pari-Mutuel Wagering	1	January 1, 1997
Entertainment	3	January 1, 1997
Cage and Credit	4	January 1, 1997
Electronic Data Processing	1	January 1, 1997
Internal Audit	4	January 1, 1997
Currency Transaction Reporting	3	March 15, 1997

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Note 1: The controls in effect for participation machines will provide at least the level of control described by these standards.

Note 2: One slot route operator's employee may be used to fill the employee requirements except in a supervisory capacity.

Note 3: Any Board-authorized computer applications that provide controls comparable to the following standards will be acceptable.

Coin Drop Standards

1. A minimum of three employees (**two for Group II licensees**) are involved in the removal of the slot drop, at least one of whom is independent of the slot department.
2. Security is provided over the buckets removed from the slot drop cabinets prior to being transported to the count room.
3. If more than one trip is required to remove the slot drop from all of the machines, the filled carts or coins are either locked in the count room or secured in another equivalent manner.

Equipment Standards

4. A weigh scale calibration module is secured so as to prevent unauthorized access (e.g., prenumbered seal, lock and key, etc.).
5. Someone independent of the cage, vault, slot, and count team functions is required to be present whenever the calibration module is accessed.
6. Such access is documented and maintained.
7. If a weigh scale interface is used, it is adequately restricted so as to prevent unauthorized access (passwords, keys, etc.).
8. If the weigh scale has a zero adjustment mechanism, it is either physically limited to minor adjustments (e.g., weight of a bucket) or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.
9. The weigh scale and weigh scale interface (if applicable) are tested by someone who is independent of the cage, vault and slot departments and count team at least on a quarterly basis with the test results being documented.

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10. During the slot count at least two employees verify the accuracy of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated. (Varying weights/coin from drop to drop is acceptable.)
11. The preceding weigh scale and weigh scale interface test results are documented and maintained.
12. If a mechanical coin counter is used (instead of a weigh scale), procedures are equivalent to those described in Standards #9, #10, and #11.

Slot Count and Wrap Standards

13. The weigh/count is performed by a minimum of three employees (**two employees for Group II licensees**).
14. At no time during the weigh/count will there be fewer than three employees (**two for Group II's**) in the count room.
15. The slot count team is independent of the slot department and the subsequent accountability of slot count proceeds unless they are nonsupervisory slot employees and perform the laborer function only. (A nonsupervisory slot employee is defined as a person below the level of slot shift supervisor.)
16. The following functions are performed in the counting of the slot drop:
 - a. Recorder function which involves the recording of the slot count.
 - b. Count team supervisor function which involves the control of the slot weigh and wrap process. **For Group I licensees, the supervisor is precluded from performing the initial recording of the weigh/count unless a weigh scale with a printer is used.**
17. The amount of the slot drop from each machine is recorded in ink on a slot count document by the recorder or mechanically printed by the weigh scale. If a weigh scale interface is used, the slot drop figures are transferred via direct line or computer storage media.
18. The recorder and at least one other count team member sign the weigh tape and the slot count document attesting to the accuracy of the weigh/count.
19. At least three employees (**two for Group II's**) who participate in the weigh/count and/or wrap process sign the slot count document or a summary report to attest to their presence. If all other count team members do not sign the slot count document or a summary report, they sign a supplemental document evidencing their participation in the weigh/count and/or wrap.
20. The coins are wrapped and reconciled in a manner which precludes the commingling of slot drop coin with coin (for each denomination) from the next slot drop.

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21. At least two employees are present throughout the wrapping of the slot drop.
- Note: If the slot count is conducted with a continuous mechanical count meter which is not reset during the count and is verified in writing by at least three employees (two employees for Group II licensees) at the start and end of each denomination count, then one employee may perform the wrap.**
22. If the coins are not wrapped immediately after being weighed/counted, they are secured and not commingled with other coin.
- Note: The term wrapped slot drop includes wrapped, bagged (with continuous meter verification), and racked coin/tokens.**
23. If the coins are transported off the property, a second (alternative) count procedure must be performed before the coins leave the property. Any variances must be documented.
24. Transfers out of the count room during the slot count and wrap process are either strictly prohibited, or if transfers are permitted during the count and wrap, each transfer is recorded on a separate multi-part form with a preprinted or concurrently-printed form number (used solely for slot count transfers) which is subsequently reconciled by the accounting department to ensure the accuracy of the reconciled wrapped slot drop.
25. Transfers, as noted above, are counted and signed for by at least two members of the count team and by someone independent of the count team who is responsible for authorizing the transfer.
- If the count room serves as a coin room and coin room inventory is not secured so as to preclude access by the count team, then the next two standards are required:**
26. At the commencement of the slot count the following requirements are met:
- a. The coin room inventory is counted by at least two employees, one of whom is a member of the count team and the other is independent of the weigh/count and wrap procedures.
 - b. The above count is recorded on an appropriate inventory form.
27. Upon completion of the wrap of the slot drop, the following requirements are met:
- a. At least two members of the count team (wrap team), independently from each other, count the ending coin room inventory.
 - b. The above counts are recorded on a summary report(s) which evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the coin room.

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- c. The same count team members as discussed above compare the calculated wrap to the weigh/count, recording the comparison and noting any variances on the summary report.
- d. A member of the cage/vault department counts the ending coin room inventory by denomination and reconciles it to the beginning inventory, wrap, transfers and weigh/count.
- e. At the conclusion of the reconciliation, at least two count/wrap team members and the verifying employee sign the summary report(s) attesting to its accuracy.

Note: For Group II licensees the functions described above at 27 a and c may be performed by only one count team member. That count team member must then sign the summary report, along with the verifying employee, as required under 27 e.

If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, the following standard is required:

28. Upon completion of the wrap of the slot drop:

- a. At least two members of the count/wrap team count the final wrapped slot drop independently from each other.
- b. The above counts are recorded on a summary report.
- c. The same count team members as discussed above (or the accounting department) compare the final wrap to the weigh/count recording the comparison and noting any variances on the summary report.
- d. A member of the cage/vault department counts the wrapped slot drop by denomination and reconciles it to the weigh/count.
- e. At the conclusion of the reconciliation, at least two count team members and the cage/vault employee sign the summary report attesting to its accuracy.
- f. The wrapped coins (exclusive of proper transfers) are transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.

Note: For Group II licensees the functions described above at 28 a and c may be performed by only one count team member. That count team member must then sign the summary report, along with the verifying employee, as required under 28 e.

29. Large (by denomination, either \$1,000 or 2% of the drop, whichever is less) or unusual (e.g., zero for weigh count or patterned for all counts) variances between the weigh/count and wrap are investigated by management personnel independent of the slot department, count team and the cage/vault functions on a timely basis.

30. The results of such investigation are documented and maintained.

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31. All slot count and wrap documentation, including any applicable computer storage media, is immediately delivered to the accounting department by other than the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
32. Corrections on slot count documentation are made by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team employees. If a weigh scale interface is used, corrections to slot count data are made using either of the following:
 - a. Crossing out the error on the slot document, entering the correct figure, and then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the slot department and count team enters the correct figure into the computer system prior to the generation of related slot reports.
 - b. During the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report is generated by the computer system identifying the slot machine number, the error, the correction and the count team employees testifying to the correction.

Currency Acceptor Drop and Count Standards

33. The currency acceptor drop boxes are removed by an employee independent of the slot department, then transported directly to the soft count room or other similarly restricted location and locked in a secure manner until the count takes place.
34. The transporting of currency acceptor drop boxes is performed by a minimum of two employees, at least one of whom is independent of the slot department.
35. The currency acceptor count is performed in the soft count room or equivalently secure area with comparable controls.
36. The currency acceptor count is performed by a minimum of three employees.
For Group II licensees a minimum of two persons may perform the count provided the count is viewed either live or on videotape within seven days by an employee independent of the count.
37. The currency acceptor count team is independent of transactions being reviewed and counted, and the subsequent accountability of currency drop proceeds.
A cage cashier may be used if this person is not allowed to perform the recording function. An accounting representative may be used if there is an independent audit of all currency acceptor count documentation.
38. The currency acceptor drop boxes are individually emptied and counted in such a manner as to prevent the commingling of funds between boxes until the count of the box has been recorded.

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39. The count of each box is recorded in ink or other permanent form of recordation.
40. If currency counters are utilized and the count room table is used only to empty boxes and sort/stack contents, a count team member must be able to witness the loading and unloading of all currency at the currency counter, including rejected currency.
41. Drop boxes, when empty, are shown to another member of the count team, to another person who is observing the count, or to recorded or live surveillance, provided the count is monitored in its entirety by someone independent of the count.
42. Corrections to information originally recorded by the count team on currency acceptor count documentation are made by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team members who verified the change.
43. The count sheet is reconciled to the total drop by a count team member who does not function as the sole recorder.
44. All members of the count team attest by signature (**if applicable, two signatures for Group II's**) to the accuracy of the currency acceptor drop count. Three verifying signatures on the count sheet are adequate if all additional count team employees sign a supplemental document evidencing their involvement in the count process.
45. All monies that were counted are turned over to the cage cashier (who is independent of the count team) or to an employee independent of the revenue generation and the count process for verification.
46. The above mentioned employee certifies by signature as to the accuracy of the currency delivered and received.
47. Access to stored full drop boxes is restricted to authorized members of the drop and count teams.
48. Access to the count room is restricted to members of the drop and count teams, excluding authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
49. The count sheet, with all supporting documents, is promptly delivered to the accounting department by a count team member or someone other than the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

Jackpot Payouts, Slot Fills, Short Pays and Accumulated Credit Payouts

50. For jackpot payouts and slot fills, the payout form/documentation includes the following information:

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- a. Date and time.
- b. Machine number.
- c. Dollar amount of cash payout or slot fill (both alpha and numeric), or description of personal property awarded.
Alpha is optional if another unalterable method is used for evidencing the amount of the payout or fill.
- d. Game outcome (including reel symbols, card values and suits, etc.) for jackpot payouts only.
- e. Signatures of at least two employees verifying and witnessing the payout or slot fill.
Note: On graveyard shifts (eight-hour maximum) payouts/fills less than \$100 can be made without the payout/fill being witnessed if the second person signing can reasonably verify that a payout/fill is justified.
- f. Preprinted or concurrently-printed sequential number.

51. Jackpot payouts over a predetermined amount require the signature and verification of a supervisory or management employee independent of the slot department. This predetermined amount is authorized by management, documented, and maintained.

52. For short pays of \$10.00 or more, and payouts required for accumulated credits, the payout form includes:

- a. Date and time.
- b. Machine number.
- c. Dollar amount of payout (both alpha and numeric).
Alpha is optional if another unalterable method is used for evidencing the amount of the payout.
- d. Signatures of at least two employees (**one employee for Group II licensees**) verifying and witnessing the payout.

Note: Short pays involving a single token in a denomination higher than \$10.00 may be handled without the above documentation.

53. Computerized jackpot/fill systems are restricted so as to prevent unauthorized access and fraudulent payouts by one individual.

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54. Payout forms are controlled and routed in a manner that precludes any one individual from producing a fraudulent payout by forging signatures or by altering the amount paid out subsequent to the payout and misappropriating the funds.

Promotional Payouts and Awards

Promotional payouts and awards are supplemental payouts which are not reflected in the slot machine pay table. Compliance with the following standard is required if promotional payouts are to be deducted from slot revenue.

55. The payout form/documentation includes the following information:
- a. Date and time.
 - b. Machine number and denomination.
 - c. Dollar amount of payout or description of personal property w (e.g., jacket, toaster, car, etc.).
 - d. Type of promotion (e.g., double jackpots, four-of-a-kind bonus, etc.).
 - e. Signature of at least one employee authorizing and completing the transaction.

Slot Department Funds Standards

56. The slot booths and change banks, which are active during the shift, are counted down and reconciled each shift utilizing appropriate accountability documentation.
57. The wrapping of loose slot booth and cage cashier coin is performed at a time or location that does not interfere with the hard count/wrap process or the accountability of that process.
58. A record is maintained evidencing the transfers of unwrapped coin and is retained for at least 7 days.

EPROM Testing

59. At least annually, procedures are performed to insure the integrity of a sample of slot machine game program EPROMs by personnel independent of the slot department or by outside vendors.

EPROM Duplication

Note 1: If duplication of gaming device program storage media is performed and Board approval has been received, or the licensee is a licensed manufacturer, then procedures #60 through

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#63 must be performed.

Note 2: The EPROMs of some manufacturers may be protected by federal copyright laws. The licensee should insure that all applicable laws are complied with when duplicating EPROMs.

Note 3: Equivalent controls must be in place should gaming device program storage media approved by the Board, other than EPROMs, be duplicated.

60. Procedures are developed and implemented for the following:

- a. Removal of EPROMs from devices, the verification of the existence of errors as applicable, and the correction via duplication from the master game program EPROM.
- b. Copying one gaming device program to another approved program.
- c. Verification of duplicated EPROMs prior to being offered for play.
- d. Destruction, as needed, of EPROMs with electrical failures.
- e. Securing the EPROM duplicator and master game EPROMs from unrestricted access.

61. The master game program number, par percentage, and the pay table are verified to the par sheet when initially received from the manufacturer.

62. Records must be maintained documenting the above procedures. The records must include the following information:

- a. Date.
- b. Machine number (source and destination).
- c. Manufacturer.
- d. Program number.
- e. Personnel involved.

- f. Reason for duplication.
- g. Disposition of any permanently removed EPROM.
- h. GCB Lab approval number.

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63. EPROMs returned to gaming devices must include the date and information identical to that shown on the manufacturer's label.

Theoretical/Actual Hold

64. Accurate and current theoretical hold worksheets are maintained for each slot machine.
65. For those slot machines or groups of identical machines (excluding multi-game machines) with differences in theoretical payback percentage exceeding a 4% spread between the minimum and maximum theoretical payback, and which contain meters required by Regulation 14 Technical Standard 2.010(3):
- a. On a quarterly basis, record the meters that contain the number of plays by wager (i.e., one coin, two coins, etc.).
 - b. On an annual basis, calculate the theoretical hold percentage based on the distribution of plays by wager type.
 - c. On an annual basis, adjust the machine(s) theoretical hold percentage in the slot statistical report to reflect this revised percentage.
66. For multi-game machines:
- a. Weekly record the total coin-in meter.
 - b. Quarterly record the coin-in meters for each game contained in the machine.
 - c. On an annual basis adjust the theoretical hold percentage to a weighted average based upon the ratio of coin-in for each game.
- Note: The adjusted theoretical hold percentage can be combined for machines with exactly the same game mix throughout the year.**
67. The theoretical hold percentages used in the slot analysis reports should be within the performance standards set by the manufacturer.
68. Records are maintained for each machine which indicate the dates and type of changes made and the recalculation of theoretical hold as a result of the changes.
69. Records are maintained for each machine which indicate the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations.
70. All of the slot machines contain functioning coin-in meters.

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71. All slot machines with currency acceptors approved by the Board after January 1, 1988 contain functioning bill-in meters which record the dollar amounts or number of bills accepted by denomination.
72. Slot machine in-meter readings are recorded at least weekly immediately prior to or subsequent to a slot drop. **(Exception: The time between readings may extend beyond one week in order for a reading to coincide with the end of an accounting period only if such extension is for no longer than six days.)**
73. The employee who records the in-meter reading either is independent of the hard count team or is assigned on a rotating basis unless the in-meter readings are randomly verified quarterly for all slot machines and currency acceptors by someone other than the regular in-meter reader.
74. Upon receipt of the meter reading summary, the accounting department reviews all meter readings for reasonableness using pre-established parameters.
75. Prior to final preparation of statistical reports, meter readings which do not appear reasonable are reviewed with slot department employees, and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected.
76. A report is produced at least monthly showing month-to-date, year-to-date, and if practicable, life-to-date actual hold percentage computations for individual machines and a comparison to each machine's theoretical hold percentage previously discussed.
Note: Actual hold = dollar amount of win divided by dollar amount of coin in.
77. Each change to a slot machine's theoretical hold percentage, including progressive percentage contributions, results in that machine being treated as a new machine in the statistical reports (i.e., not commingling various hold percentages).
78. If promotional payouts and awards are included on the slot statistical reports, it is in a manner which prevents distorting the actual hold percentages of the affected machines.
79. A report is produced at least monthly showing year-to-date combined slot machine performance, by denomination. The report shall include the following for each denomination:

- a. Floor par.
- b. Combined actual hold percentage.
- c. Percentage variance (b - a).
- d. Projected dollar variance (i.e., coin-in times the percentage variance).

Note: Floor pars are the sum of the theoretical hold percentages of all machines within a denomination weighted by coin-in contribution.

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80. The statistical reports are reviewed by both slot department management and management employees independent of the slot department on at least a monthly basis.
For Group II licensees slot department management employees are not required to review statistical reports.
81. Large variances between theoretical hold and actual hold are investigated and resolved with the findings documented in a timely manner.
82. For purposes of analyzing large variances between actual hold and theoretical hold percentages, information to create floor par reports by machine type must be maintained.
83. Maintenance of the computerized slot monitoring system data files is performed by a department independent of the slot department. Alternatively, maintenance may be performed by slot supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the slot department on a monthly basis.
84. Updates to the computerized slot monitoring system to reflect additions, deletions or movements of slot machines are made at least weekly prior to in-meter readings and the weigh process.

Slot Machine Hopper Contents

85. When machines are temporarily removed from the floor, slot drop and hopper contents are protected to preclude the misappropriation of stored funds.
86. When machines are permanently removed from the floor, the slot drop and hopper contents are counted and recorded by at least two employees with appropriate documentation being routed to the accounting department for proper recording and accounting for initial hopper loads.
87. All slot machines with potential jackpots in excess of \$100,000 must have the circuit boards locked or physically sealed. The lock or seal should necessitate the presence of an individual independent of the slot department to access the device game program EPROM. If a seal is used to secure the board to the frame of the gaming device, it must be identifiable (e.g., pre-numbered).

Slot Machine Drop Keys

88. The physical custody of the keys needed to access slot machine coin drop cabinets, including duplicates, requires the involvement of two persons, one of whom is independent of the slot department.
For Group II licensees, both persons needed to access slot machine coin drop cabinet keys may be slot department employees.

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89. Two employees (separate from key custodian) are required to accompany such keys while checked out and observe each time slot machine drop cabinets are accessed, unless surveillance is notified each time keys are checked out and surveillance observes the person throughout the period the keys are checked out.

Currency Acceptors

90. Currency Acceptor Drop Box Release Keys

- a. Only the employees authorized to remove the currency acceptor drop boxes are allowed access to the release keys.
- b. For situations which require access to the currency acceptor drop box at other than scheduled drop times, the date, time, and signature of employee signing out/in release key must be documented.
- c. The currency acceptor drop box release keys are separately keyed from the currency acceptor contents keys.

91. Currency Acceptor Drop Box Storage Rack Keys

Two persons are required to accompany such keys and observe each time drop boxes are placed in storage racks.

92. Currency Acceptor Drop Box Contents Keys

- a. The physical custody of the keys needed for accessing currency acceptor drop box contents requires involvement of persons from three separate departments.
- b. Access to the contents key at other than scheduled count times requires the involvement of at least three employees from separate departments, including management. The reason for access must be documented with the signatures of all participants and observers.

93. Currency Acceptor Count Room Keys

At least three count team members are required to be present at the time count room and other count keys are issued for the count.

94. Duplicate Keys

- a. Duplicate keys are maintained in such a manner as to provide the same degree of control over drop boxes as is required for the original keys.

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- b. Records are maintained for each key duplicated which indicate the number of keys made and destroyed.

Player Tracking

Compliance with the following standards is required if cash or the cost of personal property distributed to patrons is deducted from slot revenue.

- 95. The player tracking system is secured so as to prevent unauthorized access (e.g., changing passwords at least quarterly and physical access to computer hardware, etc.).
- 96. The addition of points to members' accounts other than through actual slot machine play must be sufficiently documented (including substantiation of reasons for increases) and be authorized by a department independent of the player tracking and slots. Alternatively, addition of points to members' accounts may be authorized by slot supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the slot department on a quarterly basis.
- 97. Booth employees who redeem points for members cannot have access to lost cards.
- 98. Changes to the player tracking system parameters, such as point structures and employee access, must be performed by supervisory employees independent of the slot department. Alternatively, changes to player tracking system parameters may be performed by slot supervisory employees if sufficient documentation is generated and it is randomly verified by supervisory employees independent of the slot department on a monthly basis.
- 99. All other changes to the player tracking system must be appropriately documented.

Wide Area Progressive Slot Machines (Inter-Casino Linked Progressives)

- 100. The wide area progressive system must be adequately restricted to prevent unauthorized access (e.g., changing passwords at least quarterly, access to EPROMs, and physical access to computer hardware, etc.).
- 101. Procedures are developed, implemented, and documented for:
 - a. Reconciliation of meters and jackpot payouts.
 - b. Collection/drop of slot machine funds.

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- c. Jackpot verification and payment and billing to casinos on pro-rata basis.
 - d. System maintenance.
 - e. System accuracy.
102. Reports adequately documenting the procedures above are generated and retained.

Slot Accounting/Auditing Procedures

103. Slot accounting/auditing procedures are performed by employees who are independent of the transactions being reviewed.
104. For computerized player tracking systems, an accounting/auditing employee shall perform the following procedures at least one day per month:
- a. Foot all points-redeemed documentation and trace to the system-generated totals.
 - b. Review all points-redeemed documentation for propriety.
- Note: This standard only applies if cash or the cost of personal property distributed to patrons is deducted from slot revenue.**
105. For computerized slot monitoring systems, procedures are performed at least monthly to verify that the system is transmitting and receiving data from the slot machines properly and to verify the continuing accuracy of the coin-in meter readings as recorded in the slot statistical report.
106. For weigh scale interface systems, for a least one drop period per month accounting/auditing employees shall compare the weigh tape to the system-generated weigh, as recorded in the slot statistical report, in total. Discrepancies should be resolved prior to generation/distribution of slot reports.
107. At least weekly, accounting/auditing employees shall compare the bill-in meter reading to the total currency acceptor drop amount for the week. Discrepancies should be resolved prior to the generation/distribution of slot statistical reports.
108. Follow-up is performed for any one machine having an unresolved variance in excess of \$200 between actual drop and bill-in meter reading. The follow-up performed and results of investigation must be documented and maintained.
109. The gross gaming revenue reported monthly on the NGC tax returns is reconciled to the win in the slot analysis report by denomination.
110. At least annually, accounting/auditing personnel shall randomly verify that EPROM changes are

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properly reflected in the slot analysis reports.

111. Accounting/auditing employees review exception reports for all computerized slot systems on a daily basis for propriety of transactions and unusual occurrences.
112. All slot auditing procedures and any follow-up performed is to be documented and maintained.

General

113. For all computerized slot systems a personnel access listing will be maintained which includes at a minimum:
 - a. Employee name.
 - b. Employee identification number (or equivalent).
 - c. Listing of functions employee can perform or equivalent means of identifying same.

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TABLE GAMES

Note 1: Throughout the table games section all references to dealers include boxmen.

Note 2: For any Board-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards will be acceptable.

Note 3: The term shift as used in these standards refers to an 8-hour interval unless otherwise approved by the Board.

Credit Play

There are two basic credit play systems available. A marker system allows for credit to be both issued and repaid in the pit. A name credit system allows for the issuance of credit without using markers.

Marker Credit Play (Exclusive of rim credit and call bets)

1. Prior to the issuance of gaming credit to a player, the employee extending the credit contacts the cashier or other independent source to determine if the player's credit limit has been properly established and there is sufficient remaining credit available for the advance.
2. Proper authorization of credit extension in excess of the previously established limit is documented.
3. The amount of credit extended is communicated to the cage or another independent source and the amount documented within a reasonable time subsequent to each issuance.
4. The marker form is in at least triplicate form (triplicate form being defined as three parts performing the functions delineated in the standard below), with a preprinted or concurrently-printed marker number, and utilized in numerical sequence.
Note: This requirement does not preclude the distribution of batches of markers to various pits.
5. At least three parts of each separately numbered marker form are utilized as follows:
 - a. Original - Maintained in the pit until settled or transferred to the cage.
 - b. Payment Slip - Maintained in the pit until the marker is settled or transferred to the cage. If paid in the pit, the slip is inserted in the table drop box. If not paid, the slip is transferred to the cage with the original.
 - c. Issue Slip - Inserted into the appropriate table drop box when credit is extended or when the player has signed the original.

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6. When marker documentation (e.g., issue slip and payment slip) is inserted in the drop box, such action is performed by the dealer at the table.
7. A record is maintained which details the following (e.g., master credit record retained at the pit podium.):
 - a. The signature or initials of the individual(s) approving the extension of credit (unless such information is contained elsewhere for each issuance).
 - b. The legible name of the individual receiving the credit.
 - c. The date and shift of granting the credit.
 - d. The table on which the credit was extended.
 - e. The amount of credit issued.
 - f. The marker number.
 - g. The amount of credit remaining after each issuance or the total credit available for all issuances.
 - h. The amount of payment received and nature of settlement (e.g., credit slip number, cash, chips, etc.).
 - i. The signature or initials of the individual receiving payment/settlement.
8. The above mentioned forms are safeguarded, and adequate procedures are employed to control the distribution, use, and access to these forms.
9. All credit extensions are initially evidenced by lammer buttons which are displayed on the table in public view and placed there by supervisory personnel.
10. Marker preparation is initiated and other records updated within approximately one hand of play following the initial issuance of credit to the player.
11. Lammer buttons are removed only by the dealer employed at the table upon completion of a marker transaction.
12. The original marker contains at least the following information: marker number, player's name and signature, date (in compliance with Nevada Revised Statutes), and amount of credit issued.
13. The issue slip or stub includes the same marker number as the original, the table number, date and time of issuance, and amount of credit issued. The issue slip or stub also includes the signature of the individual extending the credit, and the signature or initials of the dealer at the applicable table, unless this information is included on another document verifying the issued marker.

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14. The payment slip includes the same marker number as the original. When the marker is paid in full in the pit, it will also include the table number where paid, date and time of payment, nature of settlement (cash, chips, etc.) and amount of payment. The payment slip also includes the signature of a pit supervisor acknowledging payment, and the signature or initials of the dealer receiving payment, unless this information is included on another document verifying the payment of the marker.
15. When partial payments are made in the pit, a new marker is completed reflecting the remaining balance and the marker number of the marker originally issued.
16. When partial payments are made in the pit, the payment slip of the marker which was originally issued is properly cross-referenced to the new marker number, completed with all information required by Standard 14, and inserted into the drop box.
17. The cashier's cage or another independent source is notified when payments (full or partial) are made in the pit so that cage records can be updated for such transactions. Notification is made no later than when the patron's play is completed or at shift end, whichever is earlier.
18. All portions of markers, both issued and unissued, are safeguarded and procedures are employed to control the distribution, use and access to the forms.
19. An investigation is performed to determine the cause and responsibility for loss whenever marker forms, or any part thereof, are missing. The result of the investigation is documented.
20. When markers are transferred to the cage, marker transfer forms or marker credit slips (or similar documentation) are utilized and such documents include, at a minimum, the date, time, shift, marker number(s), table number(s), amount of each marker, the total amount transferred, signature of pit supervisor releasing instruments from the pit, and the signature of cashier verifying receipt of instruments at the cage.
All markers will be transferred to the cage within 24 hours of issuance.
21. Markers are transported to the cashier's cage by an individual who is independent of the marker issuance and payment functions (pit clerks may perform this function).

Name Credit Play

If personal checks, payroll checks, counter checks, hold checks or any other name credit instruments are accepted in the pit, then compliance with the following standards #22 through #26 is necessary. Travelers checks and guaranteed drafts are handled as any other name credit unless a different treatment is allowed by regulation.

22. Prior to accepting a name credit instrument, the employee extending the credit contacts the cashier or another independent source to determine if the player's credit limit has been properly established and the remaining credit available is sufficient for the advance.

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23. All name credit instruments are transferred to the cashier's cage (utilizing a two-part order for credit) immediately following the acceptance of the instrument and issuance of chips.
- Note: If name credit instruments are transported accompanied by a credit slip, an order for credit is not required.**
24. The order for credit (if applicable) and the credit slip includes the patron's name, amount of the credit instrument, the date, time, shift, table number, signature of pit supervisor releasing instrument from pit, and the signature of cashier verifying receipt of instrument at the cage.
25. The procedures for transacting table credits at standards #50 through #57 are strictly adhered to.
26. The acceptance of payments in the pit for name credit instruments is prohibited.

Foreign Currency

If foreign currency is accepted in the pit, then compliance with the following standards #27 through # 29 is required.

27. Foreign currency transactions are authorized by a pit supervisor/boxman who completes a foreign currency exchange form prior to the exchange for chips or tokens.
28. Foreign currency exchange forms include the country of origin, total face value, amount of chips/tokens extended (i.e., conversion amount), signature of supervisor/boxman, and the dealer completing the transaction.
29. Foreign currency exchange forms and the foreign currency are inserted in the drop box by the dealer.

Call Bets

A call bet is a wager made without chips or cash and includes marked bets (which are supplemental bets made during a hand of play). For the purpose of settling a call bet, a hand of play in craps is defined as a natural winner (e.g., a seven or eleven on the come-out roll), a natural loser (e.g., a two, three or twelve on the come-out roll), a seven-out, or the player making his point, whichever comes first.

30. A call bet is evidenced by the placement of a lammer button, chips, or other identifiable designation in an amount equal to that of the wager in a specific location on the table.
31. The placement of the lammer button, chips, or other identifiable designation is performed by supervisory/boxmen personnel. The placement may be performed by a dealer only if the supervisor physically observes and gives specific authorization.

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32. The call bet is settled at the end of each hand of play by the preparation of a marker, repayment of the credit extended, or the payoff of the winning wager. Call bets extending beyond one hand of play are prohibited.
33. The removal of the lammer button, chips, or other identifiable designation is performed by the dealer/boxman upon completion of the call bet transaction.

Rim Credit

Rim credit is all extensions of credit that are not evidenced by the immediate preparation of a marker but does not include call bets.

34. Rim credit is evidenced by the issuance of chips to be placed in a neutral zone on the table and then extended to the patron for the patron to wager, or to the dealer to wager for the patron, and by the placement of a lammer button or other identifiable designation in an amount equal to that of the chips extended.
35. Rim credit is recorded on player cards, or similarly used documents, which are/have:
 - a. Prenumbered or concurrently numbered and accounted for by a department independent of the pit.
 - b. All extensions and subsequent repayments are recorded individually and evidenced by the initials or signatures of a supervisor and the dealer attesting to the validity of each credit extension and repayment.
 - c. An indication of the settlement method (e.g., serial number of marker issued, chips, cash).
 - d. Settled no later than when the patron leaves the table at which the card is prepared.
 - e. Transferred to the accounting department on a daily basis.
 - f. Reconciled with other forms utilized to control the issuance of pit credit (e.g., master credit records, table cards).

Fill and Credit Standards

36. Fill/credit slips are in at least triplicate form, in a continuous numerical series, and prenumbered or concurrently numbered in a form utilizing the alphabet and only in one series at a time.
The alphabet need not be used if the numerical series is not repeated during the business year.

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37. Unissued and issued fill/credit slips are safeguarded and adequate procedures are employed in the distribution, use and control of same.
- Note: This standard does not apply to Group II licensees.**
38. Personnel from the cashier or pit departments have no access to the locked box copies of the fill/credit slips.
39. When a fill/credit slip is voided, the cashier clearly marks void across the face of the original and first copy, the cashier and one other person sign both the original and first copy, and submits them to the accounting department for retention and accountability.
40. Fill transactions are authorized by a pit supervisor prior to the issuance of fill slips and transfer of chips, tokens, or monetary equivalents.
41. At least three parts of each fill slip are utilized as follows:
- a. One part is transported to the pit with the fill and, after the appropriate signatures are obtained, deposited in table drop box.
 - b. One part is retained in the cage for reconciliation of cashier bank.
 - c. One part is retained intact by the locked machine in a continuous unbroken form.
42. For Group I licensees the part of the fill slip that is placed in the drop box is of a different color for fills than for credits, unless the type of transaction is clearly distinguishable in another manner. (The checking of a box on the form is not a clearly distinguishable indicator.)
43. The table number, shift, and amount of fill by denomination and in total are noted on all copies of the fill slip. The correct date and time is indicated on at least two copies.
44. All fills are carried from the cashier's cage by an individual who is independent of the transaction.
45. The fill slip is signed by at least the following individuals (as an indication that each has counted the amount of the fill and the amount agrees with the fill slip):
- a. Cashier - Who prepared the fill slip and issued the chips, tokens, or monetary equivalent.
 - b. Runner - Who carried the chips, tokens, or monetary equivalents from the cage to the pit.
 - c. Dealer - Who received the chips, tokens, or monetary equivalents at the gaming table.
 - d. Pit Supervisor - Who supervised the fill transaction.
46. Fills are either broken down or verified by the dealer in public view before the dealer places the fill in the table tray.
47. Fill slips are inserted in the drop box by the dealer.

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48. When table credits are transacted, a two-part order for credit is prepared for transferring chips, tokens or monetary equivalents from the pit to the cashier area or other secure area of accountability.
- Note: If chips, tokens, and monetary equivalents are transported accompanied by a credit slip, an order for credit is not required.**
49. The duplicate copy of an order for credit is retained in the pit to check the credit slip for proper entries and to document the total amount of chips, tokens, and monetary equivalents removed from the table.
50. At least three parts of each credit slip are utilized as follows:
- a. One part is retained in the cage for reconciliation of the cashier bank.
 - b. One part is transported to the pit by the runner who brought the chips, tokens, markers, or monetary equivalents from the pit to the cage, and after the appropriate signatures are obtained, deposited in the table drop box.
 - c. One part is retained by the locked machine intact in a continuous unbroken form.
51. For Group I licensees the part of the credit slip that is placed in the drop box is of a different color for fills than for credits, unless the type of transaction is clearly distinguishable in another manner. (The checking of a box on the form is not a clearly distinguishable indicator.)
52. The table number, shift, and the amount of credit by denomination and in total are noted on all copies of the credit slip. The correct date and time is indicated on at least two copies.
53. Chips, tokens and/or monetary equivalents are removed from the table tray by the dealer and are either broken down or verified by the dealer in public view prior to placing them in racks for transfer to the cage.
54. All chips, tokens, and monetary equivalents removed from the tables and markers removed from the pit are carried to the cashier's cage by an individual who is independent of the transaction.
55. The credit slip is signed by at least the following individuals (as an indication that each has counted or, in the case of markers, reviewed the items transferred):
- a. Cashier - Who received the items transferred from the pit and prepared the credit slip.
 - b. Runner - Who carried the items transferred from the pit to the cage and returned to the pit with the credit slip.
 - c. Dealer - Who had custody of the items prior to transfer to the cage.
 - d. Pit Supervisor - Who supervised the credit transaction.
56. The credit slip is inserted in the drop box by the dealer.

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- 57. Chips, tokens, or other monetary equivalents are deposited on or removed from gaming tables only when accompanied by the appropriate fill/credit or marker transfer forms.
- 58. Inadequately documented cross-fills and even money exchanges in the pit are prohibited.

Drop Standards

- 59. At the close of each shift:
 - a. Each table's chip, token, coin, and marker inventory is counted and recorded on a table inventory form; or
 - b. If the table banks are maintained on an imprest basis, a final fill or credit is made to bring the bank back to par.
- 60. If final fills are not made, beginning and ending inventories are recorded on the master game sheet for shift win calculation purposes.
- 61. The accuracy of inventory forms prepared at shift end is verified by either two pit supervisors or one pit supervisor and one supervisor from another gaming department.

Note: This standard does not apply to Group II licensees.

- 62. If inventory forms are placed in the drop box, such action is performed by someone other than a pit supervisor.

Note: This standard does not apply to Group II licensees.

- 63. The setting out of empty drop boxes and the drop is a continuous process.
- 64. Procedures are implemented to insure that unauthorized access to empty drop boxes does not occur from the time the boxes leave the storage racks until they are placed on the tables.
- 65. At the end of each shift, all locked drop boxes are removed from the tables by an individual independent of the pit shift being dropped.
- 66. If drop boxes are not placed on all tables, then the pit department documents which tables were open during the shift.
- 67. Upon removal from tables, drop boxes are transported directly to the count room or other secure place and locked in a secure manner until the count takes place.

Note: This standard does not apply to Group II licensees.

- 68. The transporting of drop boxes is performed by a minimum of two individuals, at least one of whom is independent of the pit shift being dropped.

Note: This standard does not apply to Group II licensees.

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Soft Count Standards

69. If counts from various revenue centers are occurring simultaneously in the count room, procedures are in effect which prevent the commingling of funds from different revenue centers.
70. The soft count is performed by a minimum of three employees.
For Group II licensees a minimum of two employees may perform the soft count provided the count is viewed either live or on videotape within seven days by an owner, licensed key employee, or an employee with an application on file with the Board. The person viewing the videotape must not have been a participant in that count.
71. At no time during the count will there be fewer than three employees (**two for Group II's**) in the count room until the monies have been accepted into cage/vault accountability.
72. Count team members are rotated on a routine basis. (Rotation is such that the count team is not consistently the same three individuals more than four days per week.)
Note: This standard does not apply to Group II licensees.
73. The count team is independent of transactions being reviewed and counted and the subsequent accountability of soft drop proceeds.
The use of a dealer or a cage cashier is acceptable. An accounting representative may be used if there is an independent audit of all soft count documentation. For Group I licensees, if a cage cashier is used this person is not allowed to perform the recording function..
74. The drop boxes are individually emptied and counted in such a manner to prevent the commingling of funds between boxes until the count of the box has been recorded.
75. The count of each box is recorded in ink or other permanent form of recordation.
76. If currency counters are utilized and the count room table is used only to empty boxes and sort/stack contents, a count team member must be able to observe the loading and unloading of all currency at the currency counter, including rejected currency.
77. Drop boxes, when empty, are shown to another member of the count team, to another person who is observing the count, or to recorded or live surveillance - provided the count is monitored in its entirety.
78. Original and first copies of fill/credit slips are matched or otherwise reconciled by the count team to verify that the total dollar amounts for the shift are identical.
For Group II licensees this function may be performed by the accounting department.
79. Orders for fill/credit (if applicable) are matched to the fill/credit slips.

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80. Fills and credits are traced to or recorded on the count sheet and examined for correctness.
81. Pit marker issue and payment slips removed from the drop boxes are either:
 - a. Traced to or recorded on the count sheet by the count team; or
 - b. Totaled by shift and traced to the totals documented by the computerized system. Accounting personnel then verify the issue/payment slip for each table is accurate.
82. Foreign currency exchange forms removed from the drop boxes are reviewed for the proper daily exchange rate and the conversion amount is recomputed by the count team. Alternatively, this may be performed by accounting/auditing employees.
83. The opening/closing table and marker inventory forms (if applicable) are either:
 - a. Examined and traced to or recorded on the count sheet; or
 - b. If a computerized system is used, accounting personnel can trace the opening/closing table and marker inventory forms (if applicable) to the count sheet. Discrepancies are investigated with the findings documented and maintained.
84. Corrections to information originally recorded by the count team on soft count documentation are made by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team members who verified the change.
85. The count sheet is reconciled to the drop by a count team member who does not function as the sole recorder.
86. All members of the count team attest by signature to the accuracy of the games drop count. Three verifying signatures (**two for Group II licensees**) on the count sheet are adequate if all additional count team personnel sign a supplemental document evidencing their involvement in the count process.
87. All monies and monetary equivalents that were counted are turned over to the cage cashier (who is independent of the count team) or to an individual independent of the revenue generation and the count process for verification.
88. The above mentioned individual certifies by signature as to the accuracy of the monies delivered and received.
89. Access to stored drop boxes, full or empty, is restricted to authorized members of the drop and count teams.
90. Access to the count room during the count is restricted to members of the drop and count teams, excluding authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.

Note: This standard does not apply to Group II licensees.

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91. The count sheet, with all supporting documents, is promptly delivered to the accounting department by a count team member or someone other than the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

Key Control Standards

92. The involvement of at least two individuals independent of the cage department is required to access stored empty drop boxes.

93. Drop Box Release Keys

Note: This standard does not apply to Group II licensees.

- a. Drop box release keys are maintained by a department independent of the pit department.
- b. Only the person authorized to remove drop boxes from the tables is allowed access to the release keys.

The count team members may have access to the release keys during the soft count in order to reset the drop boxes.

- c. Persons authorized to drop the table games drop boxes are precluded from having access to drop box contents keys.

94. Drop Box Storage Rack Keys

- a. Someone independent of the pit department is required to accompany such keys and observe each time drop boxes are removed from or placed in storage racks.

Note: This requirement does not apply to Group II licensees.

- b. Persons authorized to obtain drop box storage rack keys are precluded from having access to drop box contents keys (with the exception of the count team).

95. Drop Box Contents Keys

- a. The physical custody of the keys needed for accessing stored full drop box contents requires the involvement of persons from three separate departments.
- b. Access to the contents key at other than scheduled count times requires the involvement of at least three persons from separate departments, including management. The reason for access must be documented with the signatures of all participants and observers.

96. Count Room Keys

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At least three (**two for three tables or less**) count team members are required to be present at the time count room and other soft count keys are issued for the soft count.

97. Duplicate Keys

- a. All duplicate keys are maintained in a manner which provides the same degree of control over drop boxes as is required for the original keys.
- b. Records are maintained for each key duplicated which indicate the number of keys made and destroyed.

Table Games Computer Generated Documentation

98. The computer system must be capable of generating adequate documentation of all information recorded on the source documents and transaction detail (e.g., fill/credit slips, markers, etc.).
99. This documentation is restricted to authorized personnel.
100. The documentation is to include, at a minimum:
- a. System exception information (e.g., appropriate system parameter information, corrections, voids, etc.).
 - b. Personnel access listing which includes at a minimum:
 - 1) Employee name.
 - 2) Employee identification number.
 - 3) Listing of functions employee can perform or equivalent means of identifying same.

Miscellaneous

101. Playing cards and dice, not yet issued to the pit, are maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering.
102. Pit supervisory personnel (with authority equal to or greater than those being supervised) provide supervision of all table games.

Statistics

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103. Records are maintained by day and shift indicating any single-deck blackjack games which were dealt for an entire shift.
104. Records reflecting statistical drop, statistical win and statistical win to statistical drop hold percentage by table and type of game are maintained by shift, by day, cumulative month-to-date, and cumulative year-to-date.
- Note 1: Statistical drop can be computed by either of the following methods:**
- Drop (per Regulation 1.095), (+) marker credit slips, (+) pit credit repaid with chips in the pit.**
- or**
- Drop (per Regulation 1.095), (+) pit credit issues, (-) pit credit issues not in exchange for chips, (-) pit credit repaid with cash in the pit.**
- Note 2: Statistical win = table games gross revenue [per Regulation 6.110(1)], (+) marker credit slips.**
105. This information is presented to and reviewed by management independent of the pit department on at least a monthly basis.
106. The above referenced management investigates any unusual statistical fluctuations with pit supervisory personnel.
107. At a minimum, investigations are performed for all statistical percentage fluctuations from the base level (for types of table games with more than two licensed tables) for a month in excess of:
- a. +/- 3% for locations with \$10 million or more in annual table games gross gaming revenue.
 - b. +/- 5% for locations with less than \$10 million in annual table games gross gaming revenue.
- The base level is defined as the licensee's statistical win to statistical drop percentage for the previous business year or previous 12 months.**
108. The results of such investigations are documented in writing and maintained.

Table Games Accounting/Auditing Procedures

109. The table games accounting and auditing procedures are performed by personnel who are independent of the transactions being audited/accounted for.
110. A daily recap is prepared for the day and month-to-date which includes the following information necessary to prepare the NGC tax returns:
- a. Pit credit issues.
 - b. Pit credit payments in chips.
 - c. Pit credit payments in cash.

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- d. Drop.
 - e. Win.
 - f. Gross Revenue.
111. If a table game has the capability to determine drop (e.g., bill-in/coin-drop meters, bill validator, computerized record, etc.) the dollar amount of the drop is reconciled to the actual drop by shift.
112. Accounting/auditing employees review exception reports for all computerized table games systems at least monthly for propriety of transactions and unusual occurrences.
113. All noted improper transactions or unusual occurrences are investigated with the results documented.
114. Evidence of table games auditing procedures and any follow-up performed is maintained.

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CARD GAMES

Supervision

1. Supervision is provided at all times the card room is in operation by personnel with authority equal to or greater than those being supervised.
2. Transfers between table banks and the main card room bank (or casino cage, if a main card room bank is not used) are authorized by a supervisor and evidenced by the use of a lammer. (A lammer is not required if the exchange of chips, tokens, and/or currency takes place at the table.)
3. Transfers from the main card room bank (or casino cage, if a main card room bank is not used) to the table banks are verified by the card room dealer and the runner.
4. If applicable, transfers between the main card room bank and the casino cage are properly authorized and documented.
5. A rake must be collected in accordance with the posted rules unless authorized by a supervisor.

Drop and Count Standards

6. The procedures for the collection of card games drop boxes and the count of the contents thereof comply with the internal control standards applicable to the pit drop boxes.

Access to Playing Cards

7. Playing cards, both used and unused, are maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering.

Reconciliation of Banks

8. The amount of the main card room bank is counted, recorded, and reconciled on at least a per shift basis.
9. At least once per shift the table banks are counted, recorded, and reconciled by a dealer (or other individual if the table is closed) and a supervisor, and attested to by their signatures on the check-out form.

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Shill Standards

10. Issuance of shill funds have the written approval of the supervisor.
11. Shill returns are recorded and verified on the shill sign-out form.
12. The replenishment of shill funds is documented.

Promotional Progressive Pots and Pools

Promotional progressive pots and pools are defined as pots and pools which are contributed to by poker patrons and distributed back to poker patrons based upon the occurrence of a predetermined event.

13. All funds contributed by players into the pools are returned when won in accordance with the posted rules with no commission or administrative fee withheld.
14. Rules governing promotional pools are posted, are clearly legible from each table, and designate:
 - a. The amount of funds to be contributed from each pot.
 - b. What type of hand it takes to win the pool (e.g., what constitutes a “bad beat”).
 - c. How the promotional funds will be paid out.
 - d. How/when the contributed funds are added to the jackpots.
 - e. Amount/percentage of funds allocated to primary and secondary jackpots, if applicable.
15. Promotional pool contributions are not placed in or near the rake circle, in the drop box, or commingled with gaming revenue from card games or any other gambling game.
16. Promotional funds removed from the card game are placed in a locked container in plain view of the public.
17. Persons authorized to transport the locked container are precluded from having access to the contents keys.
18. The contents key is maintained by a department independent of the card room.

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19. At least once a day, the locked container is removed by two individuals, one of whom is independent of the card games department, and transported directly to the casino cage or other secure room to be counted.
20. If the funds are maintained in the cage, the contents are counted, recorded, and verified prior to accepting the funds into cage accountability.
21. The amount of the jackpot must be conspicuously displayed in the card room. At least once a day the progressive sign or meter, if applicable, is updated to reflect the current pool amount.
22. At least once a day increases to the progressive sign/meter are reconciled to the cash previously counted or received by the cage.

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COMPUTERIZED KENO

Note: A shift is any time period, designated by management, up to 24 hours.

Game Play Standards

1. The computerized customer ticket includes the date, game number, ticket sequence number, station number, and conditioning (including multi-race if applicable).
2. Concurrently with the generation of the ticket the information on the ticket is recorded on a restricted transaction log or computer storage media.
3. Keno personnel are precluded unrestricted access to the restricted transaction log or computer storage media.
4. When it is necessary to void a ticket, the void information is input in the computer and the computer documents the appropriate information pertaining to the voided wager (e.g., void slip is issued or equivalent documentation is generated).
5. Controls exist to prevent the writing and voiding of tickets after a game has been closed and after the number selection process for that game has begun.
6. The controls in effect for tickets prepared in outstations (if applicable) are identical to those in effect for the primary keno game.

Number Selection

Rabbit Ear System

7. A camera is utilized to film the following both prior to, and subsequent to, the calling of a game: empty rabbit ears, date and time, game number, and full rabbit ears.
8. The film of the rabbit ears provides a legible identification of the numbers on the balls drawn.
9. Keno personnel immediately input the selected numbers in the computer and the computer documents the date, game number, the time the game was closed, and the numbers drawn.
10. Procedures are in effect which prevent unauthorized access to keno balls in play.
11. Back-up keno ball inventories are secured in a manner to prevent unauthorized access.
12. Effective procedures are established for inspecting new keno balls put into play as well as for those in use.

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Random Number Generator

The random number generator must have received Board and Commission approval as a gaming device.

13. The random number generator is linked to the computer system and directly relays the numbers selected into the computer without manual input.
14. Keno personnel are precluded access to the random number generator.

Winning Ticket Verification and Payment

15. The sequence number of tickets presented for payment is input into the computer, and the payment amount generated by the computer is given to the patron.
16. Procedures are established to preclude payment on tickets previously presented for payment, unclaimed winning tickets (sleepers) after a specified period of time, voided tickets, and tickets which have not been issued yet.
17. All payouts are supported by the customer (computer-generated) copy of the winning ticket (payout amount is indicated on the customer ticket or a payment slip is issued).
18. A manual report is produced and maintained documenting any payments made on tickets which are not authorized by the computer.
19. Winning tickets over a specified dollar amount (not to exceed \$10,000 for locations with more than \$5 million annual keno write and \$3,000 for all other locations) also require the following:
 - a. Approval of management personnel independent of the keno department evidenced by their signature.
 - b. Reviewing the videotape or developing the film of the rabbit ears to verify the legitimacy of the draw and the accuracy of the draw ticket (for rabbit ear systems only).
 - c. Comparison of the winning customer copy to the computer reports.
 - d. Regrading of the customer copy using the payout schedule and draw information.
 - e. Performance of all of the above is documented and maintained.
20. When the keno game is operated by one person, all winning tickets in excess of an amount to be determined by management (not to exceed \$1,500) must be reviewed and authorized by someone independent of the keno department.

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Check Out Standards

21. For each writer station a cash summary report (count sheet) is prepared at the conclusion of each shift that includes:
- a. Computation of net cash proceeds for the shift and the cash turned in.
 - b. Signatures of two employees who have verified the net cash proceeds for the shift and the cash turned in.

Promotional Payouts and Awards

Compliance with the following standards is required if the cost of personal property or bonus and promotional payouts are deducted from keno revenue.

22. The payout form/documentation includes the following information:
- a. Date and time.
 - b. Dollar amount of payout or description of personal property (e.g., jacket, toaster, car, etc.).
 - c. Type of promotion.
 - d. Signature of at least one employee authorizing and completing the transaction.

Statistics

23. Records are maintained which include win and write by individual writer for each day.
24. Records are maintained which include (for each licensed game) win, write, and win-to-write hold percentage for:
- a. Each shift (unless the keno game operates on a single 24-hour shift basis).
 - b. Each day.
 - c. Month-to-date.
 - d. Year-to-date.
25. Non-keno management reviews keno statistical data at least on a monthly basis and investigates any large or unusual statistical variances.

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- 26. At a minimum, investigations are performed for statistical percentage fluctuations from the base level for a month in excess of +/- 3%. The base level is defined as the licensee's win percentage for the previous business year or the previous 12 months.
- 27. Such investigations are documented and maintained.

System Security Standards

- 28. All keys (including duplicates) to sensitive computer hardware in the keno area are maintained by a department independent of the keno function.
- 29. Someone independent of the keno department is required to accompany such keys to the keno area and observe changes or repairs each time the sensitive areas are accessed.

Documentation

- 30. Adequate documentation of all pertinent keno information is generated by the computer system.
- 31. This documentation is restricted to authorized personnel.
- 32. The documentation is to include, at a minimum:
 - a. Ticket information (as described in Standard 1).
 - b. Payout information (date, time, ticket number, amount, etc.).
 - c. Game information (number, ball draw, time, etc.).
 - d. Daily recap information which includes:
 - 1) Write.
 - 2) Payouts.
 - 3) Gross revenue (a.k.a. win).
 - e. System exception information, including:

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- 1) Voids.
 - 2) Late pays.
 - 3) Appropriate system parameter information (e.g., changes in pay tables, ball draws, payouts over a predetermined amount, etc.).
- f. Personnel access listing which includes at least:
- 1) Employee name.
 - 2) Employee identification number.
 - 3) Listing of functions employee can perform or equivalent means of identifying same.

Keno Audit

Note 1: Board approved software may be used to perform some of the auditing standards.

Note 2: When a multi-race ticket is part of the sample selected in Standards 35(b), 37(a), and 38, the procedures can be performed for 10 games or 10% of the games won, whichever is greater.

33. The keno audit function is independent of the keno department.
34. At least annually, keno audit will foot the write on the restricted copy of the keno transaction report for a minimum of one shift and compare the total to the total as documented by the computer.
35. For at least one shift every other month keno audit performs the following:
 - a. Foot the customer copy of the payouts and trace the total to the payout report.
 - b. Regrade at least 1% of the winning tickets using the payout schedule and draw ticket.
36. Keno audit also performs the following:
 - a. For a minimum of five games per week, compare the videotape/film of the rabbit ears to the computer transaction summary.
 - b. Compare net cash proceeds to the audited win/loss by shift and investigate any large cash overages or shortages (i.e., in excess of \$25.00).
 - c. Review and regrade all winning tickets greater than or equal to \$1,500, including all forms which document that proper authorizations and verifications were obtained and performed.

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- d. Review the documentation for payout adjustments made outside the computer and investigate large and frequent payments.
 - e. Review personnel access listing for inappropriate functions an employee can perform.
 - f. System exception information is reviewed on a daily basis for propriety of transactions and unusual occurrences including changes to the personnel access listing.
 - g. If a random number generator is used, then at least weekly the numerical frequency distribution is reviewed for potential patterns.
 - h. All noted improper transactions or unusual occurrences are investigated with the results documented.
37. When the keno game is operated by one person:
- a. The customer copies of all winning tickets in excess of \$100 and at least 5% of all other winning tickets are regraded and traced to the computer payout report.
 - b. The videotape/film of rabbit ears is randomly compared to the computer game information report for at least 10% of the games during the shift.
 - c. Keno audit personnel review winning tickets for proper authorization pursuant to Standard 20.
38. In the event any person performs the writer and deskman functions on the same shift, the procedures described in Standard 37(a) and (b) (using the sample sizes indicated) are performed on tickets written by that person.
39. Documentation (e.g., a log, checklist, etc.) is maintained evidencing the performance of all keno audit procedures.
40. Non-keno management reviews keno audit exceptions, and performs and documents investigations into unresolved exceptions.

Miscellaneous

41. All documents, including computer storage media, discussed in these standards must be retained for 5 years except for the following which must only be retained for at least 7 days:

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- a. Videotape/film of rabbit ears.
- b. All copies of losing keno tickets.
- c. All copies of winning keno tickets of less than \$1,500.
- d. The information in Standard 32(a), (b), and (c).

Note: The customer presented inside ticket does not need to be maintained.

Multi-Race

- 42. Procedures are established to notify keno personnel immediately of large multi-race winners to ensure compliance with Standard 19.
- 43. Controls exist to ensure that keno personnel are aware of multi-race tickets still in process at the end of a shift.

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Physical Controls Over Equipment Utilized

1. The keno write and desk area is restricted to specified personnel (desk area is restricted to preclude writers from accessing inside tickets).
2. There is effective periodic maintenance planned to service keno equipment.
3. Keno equipment maintenance is independent of the keno function.
4. Keno maintenance reports irregularities to management personnel independent of keno, either in writing or verbally.

Game Play Standards

5. The individual controlling inside tickets either:
 - a. Is precluded from writing and making payouts, including during writer's break periods; or
 - b. Has all winning tickets written by him with payouts exceeding \$25.00 verified, regraded, and compared to the inside ticket by another keno employee. Additionally, this individual writes tickets out of his own predesignated writer's station and bank (unless a community bank is used).
6. A keno game may only be operated by one person if the licensee's keno write is less than \$500,000 for the 12-month period ended June 30th and provided the additional audit procedures in Standard #42 are performed.

Note: At no time will a keno game with annual write of greater than or equal to \$500,000 be operated by one person.

7. Both inside (ticket presented by customer for play) and outside (receipt ticket given customer by keno writer) keno tickets are stamped with the date, ticket sequence number, and game number (as applicable to the system being used).

Note: The ticket will indicate that it is multi-race (if applicable).

8. The game openers and closers are stamped with the date, ticket sequence number, and game number. An alternative which provides the same controls is acceptable.
9. Controls exist to ensure that inside tickets have been received from outstations prior to calling of a game.

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10. Controls exist to prevent the writing and voiding of tickets after a game has been closed.
11. A legible restricted copy of written keno tickets is created (carbonized locked box copy, microfilm, videotape, etc.) for, at a minimum, all winning tickets exceeding \$30.00. If there are no restricted copies of winning tickets of \$30.00 or less, then the desk person does not write tickets.
12. Procedures are established for locking out or closing down all mechanisms for ticket writing/filming and time stamp equipment while keno balls for that race are being selected.
13. When it is necessary to void a ticket which contains the sequence number, the ticket is designated as "void" and initialed or signed by at least one person.

Number Selection

14. A camera is utilized to film the following both prior to, and subsequent to, the calling of a game:
Empty rabbit ears, date and time, game number, and full rabbit ears.
15. The picture of the rabbit ears on the camera provides a legible identification of the numbers on the balls drawn.
16. Keno personnel will produce a draw ticket as numbers are drawn, and such tickets contain the race number, numbers drawn, and date. The draw ticket is verified to the balls drawn by a second keno employee.
17. Procedures are in effect which prevent unauthorized access to keno balls in play.
18. Back-up keno ball inventories are secured in a manner to prevent unauthorized access.
19. Effective procedures are established for inspecting new keno balls put into play as well as for those in use.

Winning Ticket Verification and Payment

20. All winning tickets are compared with the draw ticket by the writer before being paid, marked with evidence that the ticket was "paid" and marked with the amount of the payout.
21. Payouts over a predetermined amount (not to exceed \$30.00) are verified by actual examination of the inside ticket.

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22. Wins over a specified dollar amount (not to exceed \$10,000 for locations with annual keno write in excess of \$5,000,000 and \$3,000 for all other locations) also require the following:
- a. Approval of management personnel independent of the keno department evidenced by their signature.
 - b. Examination of films of rabbit ears prior to and after the game is called to determine that the same numbers called were not left up from the prior game and to verify the accuracy of the draw ticket.
Note: If necessary, film may be developed as soon as possible after payouts.
 - c. Regrading of the inside ticket and comparison of both the winning ticket presented for payment and the inside ticket to the restricted copy (machine copy, microfilm, videotape, etc.).
 - d. Procedures described above are documented for later verification and reconciliation by the keno audit process on a ball check form.

Check Out Standards

23. A cash summary report (count sheet) is prepared for the end of every shift which includes:
- a. Computation of cash proceeds for the shift by bank (i.e., community bank or individual writer banks, whichever is applicable).
 - b. Signatures in ink of two employees who have verified the cash proceeds recorded in the above computation.

Statistics

24. Records are maintained which include (for each licensed game) win, write, and win-to-write hold percentage for:
- a. Each shift.
 - b. Each day.
 - c. Month-to-date.
 - d. Year-to-date.

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- 25. Non-keno management reviews keno statistical information at least on a monthly basis and investigates any large or unusual statistical fluctuations.
- 26. Such investigations are documented and maintained.

Key Control

- 27. Keys to locked box tickets are maintained by a department independent of the keno function.
- 28. Someone independent of the keno department is required to accompany such keys to the keno area and observe repairs or refills each time locked boxes are accessed.
- 29. The master panel, which safeguards the wiring that controls the sequence of the game, is locked at all times to prevent unauthorized access.
- 30. Master panel keys are maintained by a department independent of the keno function.
- 31. Someone independent of the keno department is required to accompany such keys to the keno area and observe repairs, etc., each time the master panel is accessed.
- 32. Microfilm machine keys are maintained by personnel who are independent of the keno writer function.
- 33. Someone independent of the keno writer function (e.g., a keno supervisor who doesn't write or someone independent of keno) is required to observe each time the microfilm machine is accessed by keno personnel.
- 34. Keno equipment discussed above is always locked when not being accessed.
- 35. All electrical connections are wired in such a manner so as to prevent tampering.
- 36. Duplicate keys to the above areas are maintained independently of the keno department.

Keno Audit

Note 1: Audit procedures may be performed up to one month following the transaction.

Note 2: The keno audit function is independent of the keno shift being audited for the next two standards.

- 37. Keno audit personnel foot write (either inside ticket or restricted copy) and payouts (customer copy) to arrive at an audited win/loss by shift.
- 38. Keno audit personnel obtain an audited win/loss for each bank (i.e., individual writer or community).

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Note: The keno audit function is independent of the keno department for the next five standards.

39. The keno receipts (net cash proceeds) are compared with the audited win/loss by keno audit personnel.

40. Major cash variances (i.e., overages or shortages in excess of \$25.00) noted in the preceding comparison are investigated on a timely basis.

41. On a sample basis (for at least one race per shift or ten races per week) keno audit personnel perform the following, where applicable:

Note: The majority of the races in the sample selected must contain payouts in excess of \$100.00 but less than the amount established for the independent verification required by Standard #22.

a. Regrade winning tickets utilizing the payout schedule and draw tickets and compare winning tickets (inside and outside) to restricted copies (locked box copy, developed microfilm, videotape, etc.) for 100% of all winning tickets of \$100.00 or greater and 25% of all winning tickets under \$100.00 for those races selected.

b. Either review sequential numbering on inside tickets (microfilm and videotape systems) to ensure that tickets have not been destroyed to alter the amount of write, or compute write from developed film and compare to write computed from inside tickets.

c. Review restricted copies for blank tickets and proper voiding of voids.

42. In addition to the above audit procedures, when a keno game is operated by one person:

a. At least 25% of all other winning tickets are regraded.

b. At least 10% of all tickets are traced to the restricted copy.

c. Film of rabbit ears is randomly compared to draw tickets for at least 25% of the races.

43. Draw tickets are compared to rabbit ears film for at least five races per week with payouts which do not require draw ticket verification independent of the keno department. (The draw information can be compared to the rabbit ears at the time the balls are drawn provided it is done without the knowledge of keno personnel and it is subsequently compared to the keno draw ticket.)

44. Documentation (e.g., logs, checklists, etc.) is maintained evidencing the performance of all keno audit procedures.

45. Non-keno management reviews keno audit exceptions, performs investigations into unresolved exceptions and documents results.

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Miscellaneous

46. Copies of all keno tickets and the film of the rabbit ears are maintained for at least 7 days.
47. All copies of winning keno tickets of \$1,500 or more are maintained for at least five years. This includes restricted copies (microfilm, videotape, etc.).
- Note: The restricted copy may be maintained in the form of a copy made from the microfilm, videotape, etc.**

Multi-Race

48. Procedures are established to notify keno personnel immediately of large multi-race winners to ensure compliance with Standard 22.
49. Controls exist to ensure that keno personnel are aware of multi-race tickets still in process at the end of a shift.

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BINGO

Note 1: For any Board-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards will be acceptable.

Note 2: A shift is any time period, designated by management, up to 24 hours.

Game Play Standards

1. Employees who sell cards on the floor will not verify payouts with cards in their possession at those locations with an annual bingo write exceeding \$1 million in the previous 12-month period ended June 30.
2. All sales of bingo cards are documented by recording at least the following:
 - a. Date.
 - b. Shift.
 - c. Session (if applicable).
 - d. Dollar amount.
 - e. Signature or initials of at least one seller (if manually documented).
 - f. Signature or initials of person independent of seller who has randomly verified the card sales.
(This requirement is not applicable to locations with \$1 million or less in annual write.)
3. The total write (card sales) is computed and recorded by shift (and session, if applicable).
4. Procedures are utilized to insure the correct calling of numbers selected in the bingo game.
5. Each ball is shown to a television camera immediately after it is called so that it is individually displayed to all patrons.
6. For all coverall games and other games offering a payout of \$1,200 or more, as the balls are called the numbers are immediately recorded by the caller and maintained for a minimum of 24 hours.
7. Controls are present to assure that the numbered balls are placed back into the selection device prior to calling the next game.
8. The authenticity of each payout is verified by at least two persons.
A computerized card verifying system may function as the second person verifying the payout if the card with the winning numbers is displayed to patrons in the bingo room.

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9. Payouts in excess of \$1,200 require written approval, by supervisory personnel independent of the transaction, that the ticket has been examined and verified to the master ticket record to ensure that the ticket has not been altered.
10. Total payout is computed and recorded by shift (and session, if applicable).

Promotional Payouts and Awards

Compliance with the following standard is required if the cost of personal property or bonus and promotional payouts are deducted from bingo revenue.

11. The payout form/documentation includes the following information:
 - a. Date and time.
 - b. Dollar amount of payout or description of personal property (e.g., jacket, toaster, car, etc.).
 - c. Type of promotion.
 - d. Signature of at least one employee authorizing and completing the transaction.

Control of Funds

12. All funds used to operate the bingo department are recorded on an accountability form.
13. The above funds are counted by at least two persons and reconciled to the recorded amounts at the end of each shift.

Access to Sensitive Areas

14. Access to controlled bingo equipment (e.g., blower, balls in play, and back-up balls) is restricted to authorized persons.
15. Procedures are established to inspect new bingo balls put into play as well as for those in use.
16. Bingo equipment is maintained and checked for accuracy on a periodic basis.
17. The bingo card inventory is controlled so as to assure the integrity of the cards being used.

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BINGO

Statistics

18. Records are maintained which include win, write (card sales), and a win-to-write hold percentage for:
 - a. Each shift or each session.
 - b. Each day.
 - c. Month-to-date.
 - d. Year-to-date.
19. Non-bingo management reviews bingo statistical information at least on a monthly basis and investigates any large or unusual statistical fluctuations.
20. Such investigations are documented and maintained for Board inspection.

Random Number Generator (if applicable)

If a game is operated with a random number generator, it must have received Board and Commission approval as a gaming device.

21. The random number generator is linked to the computer system and directly relays the numbers selected into the computer without manual input.
22. Bingo personnel are precluded access to the random number generator.
23. At least weekly, the numerical frequency distribution is reviewed for potential patterns by an individual independent of the bingo department.

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RACE AND SPORTS BOOKS

Betting Tickets and Equipment Standards

1. The time generated by the computer during ticket writing is tested each day by a supervisor independent of the ticket writing and cashiering function (this person may also be independent of the book). For outstation and satellite books this test is performed at the location of the main computer.
2. Race and sports books must contact the Naval Observatory Master Clock to verify the correct time each day events are held and wagers are accepted. The main computer should then be adjusted as required.

Note 1: A telephone number for the Naval Observatory Master Clock is (202) 762-1401.

Note 2: This standard does not apply to outstation and satellite books.

3. The test, and any adjustments necessary due to discrepancies, is documented in a log (or in another equivalent manner) which includes the station number, date, time of test, time per computer, name or signature of the employee performing the test, and any other relevant information. For outstation and satellite books the logs must be made available at each licensed location upon request.
4. All date, time and numerical sequence stamping machines used by the book (for parlay cards, voiding cards/tickets, and payouts) are directly and permanently wired to the electrical supply system (or in another approved manner).
5. Only maintenance, engineering, or security employees/personnel have access to fuses or fuse-like devices used in connection with the machines.
6. At least once during each eight hours of operation someone independent of the ticket writing function examines and tests the stamping machines to ensure their date and time accuracy to the nearest minute. For satellite books this test can be performed by the ticket writer.
7. For books with casino operations and for outstation books, the above test is performed at least weekly by someone independent of the book.
8. The test, and any adjustments necessary due to discrepancies, is documented in a log (or in another equivalent manner) which includes the station number, date, time of test, time on machine, name or signature of employee performing the test, and any other relevant information.
9. Keys (originals and all duplicates) to the date, time, and numerical sequence stamping devices are maintained and used by a department or personnel who are independent of the ticket writing and cashiering functions.

Wagering Standards

10. All transfers of chips/cash between writer banks and cashier banks are properly authorized and documented.

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11. Whenever a betting station is opened for wagering or turned over to a new writer, the writer signs on and the computer documents the writer's identity, the date and time, and the fact that the station was opened.
12. Whenever the betting station is closed or the writer is replaced, the writer signs off and the computer documents the date and time and the fact that the station was closed.
13. Upon accepting a wager, a betting ticket is created in triplicate as follows:
 - a. An original which is transacted and issued through a printer and given to the patron or, in case of a wire communication wager, held at the book for the patron.
 - b. A copy which is recorded concurrently with the generation of the original ticket either on paper or other storage media (e.g., tape or diskette).
 - c. A restricted copy which is not accessible to book employees.
14. If a book voids a betting ticket then:
 - a. A void designation is immediately written/stamped or branded by the computer on the ticket.
 - b. For not-in-computer voids, the date and time at which the ticket was voided is stamped on the original. A supervisory employee and one other person sign the ticket at the time of voiding. For satellite books the second signature can be a supervisor of the host property.

Wagering Cutoff

15. A sporting event wager is not accepted after the start of the event unless "in progress" or a similar notation is indicated on the original and each copy of the betting ticket, and the computer system documents the supervisor's approval.
16. A race wager is not accepted after the occurrence of post time, as defined in Regulation 22.
17. The cutoff time for event wagering will be set up or established in the computer in accordance with the provisions of Regulation 22.
18. The computer either is incapable of transacting/accepting a wager subsequent to the above cutoff times or produces a report which specifically identifies such wagers.
19. The computer either is incapable of voiding a ticket subsequent to the cutoff time or produces a report which specifically identifies such voided tickets.

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20. The computer is incapable of establishing or changing a cutoff/starting time to a time that is earlier than the current time of day.
21. Tickets will not be written or voided after the outcome of an event is known.

Payout Standards

22. Prior to patrons receiving payouts on winning tickets, results are input into the computer's administrative terminal for computerized grading of all wagers.
23. Prior to making payment on a ticket or crediting the winnings to the patron's account:
 - a. The cashier inputs the ticket sequence number into the cashier's terminal; or
 - b. The computer system automatically updates the patron's account when the event results are posted.
24. Upon computer authorization of payment, the patron's copy is immediately written/stamped or branded by the computer with a paid designation, and noted with the amount of payment and date.
25. In case of computer failure, tickets may be paid. In those instances where system failure has occurred and tickets are manually paid, a log will be maintained which includes:
 - a. Date and time of system failure.
 - b. Reason for failure.
 - c. Date and time system restored.
26. All manually paid tickets are entered into the computer system as soon as possible to verify the accuracy of the payout (this does not apply to purged, unpaid winning tickets). All manually paid tickets must be regraded as part of the end-of-day audit process should the computer system be inoperative.
27. For all payouts which are made without computer authorization, the date and time must be stamped on the patron's copy.
28. Documentation supporting and explaining payouts made without computer authorization is:
 - a. Reviewed by the book manager or other authorized supervisory personnel, as evidenced by signature.
 - b. Regraded as part of the end-of-day audit process.
29. The computer is incapable of authorizing payment on a ticket which has been previously paid, a voided ticket, a losing ticket, or an unissued ticket.

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30. If a progressive pool is used for wagers:
- a. Adequate documentation is retained regarding the rules, increment procedures and any reductions in the progressive amounts.
 - b. The progressive amount is displayed in the book.
 - c. The progressive liability is recorded on a daily basis.
 - d. Audit personnel recalculate the progressive increment on a sample basis, at least once a week.

Checkout Standards

31. The system indicates the amount of cash that should be in each writer and cashier station.
32. For each writer station and each cashier station, a summary report is completed at the conclusion of each shift including:
- a. Computation of cash turned in for the shift.
 - b. Signatures of two employees who have verified the net cash proceeds for the shift.

Employee Segregation

Administrative functions include setting up events, changing event data, and inputting results at any time.

33. Race and sports book employees are prohibited from wagering on race/sports events while on duty, including during break periods. (Race book employees are not prohibited from placing wagers from the customer area in the sports pool, and vice versa, during breaks.)
34. The end-of-day report generation procedure must be performed by or observed by a person from an independent department.
35. Computer storage media must be removed to an independent department.
36. Employees who perform the supervisory functions of approving void tickets and over-the-limit wagers do not write tickets unless:

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- a. The only supervisory functions allowed are approvals for over-the-limit wagers and the voiding of tickets prior to post time.
 - b. A supervisor, acting as a writer, may not authorize a void for a ticket which he wrote.
 - c. All tickets written by a supervisor which are subsequently voided and all not-in-computer voids must be recorded in a log, used specifically for that purpose, which indicates the supervisor's/writer's name and the name of the person authorizing the void.
 - d. The log must be forwarded to a department independent of the book (i.e., accounting/auditing) on a daily basis for a 100% audit of voids for the proper signature, a void designation on the ticket, any indications of past-post voiding, and other appropriate regulation compliance. Any discrepancies noted and investigations performed must be documented in writing and maintained.
 - e. A supervisor, acting as a writer, may not authorize an over-the-limit wager for a ticket he writes.
 - f. A department independent of the book (i.e., accounting/auditing) must perform a 100% audit of the exception report for any inappropriate use of the supervisory password. Any discrepancies noted and investigations performed must be documented in writing and maintained.
37. Employees who have access to an administrative terminal or perform administrative functions do not write tickets unless:
- a. The computer system is programmed to generate an exception report covering all administrative and supervisory activities for writers who act as supervisors and administrative terminal operators.
 - b. The audit clerk performs a 100% audit of the above exception report. This includes verifying all event setups to an independent source, reviewing all data inputs and results, checking off-times for reasonableness and checking for any inappropriate use of the supervisory password. Any discrepancies noted and investigations performed must be documented in writing and maintained.
 - c. The only book personnel allowed access to the operator file are the book manager and one designated supervisor (who does not write or cash tickets).
 - d. The audit clerk reviews the daily exception report for changes to the personnel access listing.
 - e. Administrative terminal operators/supervisors must have one operator number for both functions: supervising and writing.
38. Employees who have access to an administrative terminal or perform administrative functions do not cash tickets unless:

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- a. The computer system is programmed to generate an exception report covering all administrative and supervisory activities for cashiers who act as supervisors and administrative terminal operators.
- b. The audit clerk performs a 100% audit of the above exception report.
- c. The unpaid win ticket report is printed in a restricted area.
- d. An additional identifier is printed on all tickets which will not appear on the unpaid win ticket report but must be entered into the computer system before the computer will authorize payment.
- e. Payments on any lost tickets must be approved by an independent supervisor.
- f. The audit clerk must verify the above approval for propriety.
- g. The only book personnel allowed access to the operator file will be the book manager and one designated supervisor (who does not write or cash tickets).
- h. The audit clerk must review the exception report for changes to the personnel access listing.
- i. Administrative terminal operators/supervisors must have one operator number for all functions: supervising and cashiering.
- j. Supervisors must have separate banks. An individual of equal or greater authority must verify the cashier bank count before the turn-in is taken to the cage.
- k. A person of equal or greater authority must approve all payouts by a supervisor greater than \$10,000.

Generic Passwords for Cage Cashiers

39. If generic passwords are used by cage cashiers:
- a. Each cashier must redeem tickets from their assigned window.
 - b. After verifying it as a winning ticket in the race and sports book terminal, the cashier will then initial the patron's copy of the ticket, immediately date/time stamp the ticket at their assigned window, and then maintain the ticket in their cash drawer.
 - c. Each cashier must be assigned a unique date/time stamp used solely at their assigned window.
 - d. Payouts of \$2,000 or more require the supervisor to input their approval code and to initial the ticket.
 - e. Payouts of \$10,000 or more require management personnel independent of the cage department to input their approval code and to initial the ticket.

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- f. A summary sheet must be prepared which lists all of the cashiers working that shift, their assigned windows, the date/time stamp identification, and the total tickets cashed per cashier. The total of that report is then balanced to the total cashed per the race and sports book end of shift report.
- g. Any discrepancies noted and investigations performed must be documented in writing and maintained.

Computer Reports

- 40. Adequate documentation of all pertinent race and sports book information is generated by the computer system.
- 41. This documentation is restricted to authorized personnel.
- 42. The documentation is created daily and includes, at a minimum:
 - a. Ticket number.
 - b. Date/time of transaction.
 - c. Type of wager.
 - d. Team/horse identification.
 - e. Amount of wager/payout (by ticket, by writer/cashier and in total).
 - f. Wagering accounts (identification and total by account).
 - g. Future wagers (by ticket, by dates of events, in total by day, and in total at the time of revenue recognition).
 - h. Unpaid winners (by ticket and in total by day).
 - i. Results (date/time of event per the cutoff time input to the computer, team names and team/horse identifications, and payout data).
 - j. Daily recap:
 - 1) Date.
 - 2) Total:
 - (a) Cash write for the day.

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- (b) Futures written for the day.
 - (c) Futures brought back into revenue (today's events).
 - (d) Accrual write: (a) less (b) plus (c).
 - (e) Cash paid out on prior days' events.
 - (f) Cash paid out on today's events.
 - (g) Cash payouts for the day.
 - (h) Unpaid tickets for the day.
 - (i) Accrual payouts: (f) plus (h).
 - (j) Unpaid winners brought back into revenue.
 - (k) Taxable revenue: (d) less (g) or (a) less (g).
 - (l) Book (accounting) revenue: (d) less (i) plus (j).
- k. Exception information (sorted by exception type), including:
- 1) Voids, past-post voids, past-post write.
 - 2) Changes in odds, cut-off times, results, event data.
 - 3) All supervisory approvals/overrides.
- l. Daily personnel access listing which includes at a minimum:
- 1) Employee name and/or identification number.
 - 2) Listing of functions employee can currently perform or equivalent means of identifying same.

Accounting and Auditing Functions

Board approved software may be used to perform some of the accounting/auditing standards.

43. Documentation is maintained evidencing the performance of all race and sports accounting and auditing procedures.

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44. The race and sports book accounting and auditing procedures are performed by personnel who are independent of the transactions being audited/accounted for.

Accounting Standards

45. At least annually, accounting personnel will foot the write on the restricted copy of written tickets for a minimum of one shift and trace the total to the total produced by the system.
46. Accounting personnel foot the customer copy of paid tickets for a minimum of one cashier station per month and trace the totals to those produced by the system.
47. The write and payouts are compared to the cash proceeds/disbursements with a documented investigation being performed on all large variances (i.e., overages or shortages greater than \$100.00 per writer/cashier).

Auditing Standards

48. For all sports book winning tickets and parlay card tickets in excess of \$10,000, for all race book winning tickets in excess of \$1,000, and for a random sample of .2% (two tenths of one percent) of all other winning race book and sports book tickets:
- a. The tickets are recalculated and regraded using the computer record of event results.
 - b. The date and starting time of the event/race per the results report are compared to the date and time stamp on the ticket and in the computer sales/transaction report.
 - c. The terms of the wagers (e.g., point spreads, money-lines, etc.) per the computer sales/transaction report or per the results report (if that summary lists all point spreads and money lines at which wagers were written or if an equivalent report satisfying this requirement is produced) are reviewed and compared to an independent source for extravagant or questionable activity.
49. For all voided tickets:
- a. The computer reports which display voided ticket information are examined to verify that tickets were properly voided prior to the cutoff times for event wagering.
 - b. The voided tickets are examined for a void designation and proper signatures.

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50. The book's computerized summary of events/results report is traced to an independent source for 5% of all sporting events and 5% of all races to verify the accuracy of starting times (if available from an independent source) and final result.
51. Exception reports are reviewed on a daily basis for propriety of transactions and unusual occurrences including:
 - a. Changes to the personnel access listing.
 - b. Changes in odds, cut-off times, results, event data.
52. Any investigation performed regarding the exception reports is documented.
53. At least one day per calendar quarter, the computer-generated reports are reviewed for proper handling of future wagers, unpaid winners, and wagering accounts.

Statistics

54. Reports are maintained for each month and year-to-date (or as otherwise specified by regulation) which indicate the total amount of wagers accepted, total amount paid out on winning wagers, the net amount won by the book, and the win-to-write percentage for:
 - a. Each sport (e.g., baseball, basketball, football, hockey, golf, boxing, etc.).
 - b. Sports parlay cards.
 - c. Horse/greyhound racing.
55. This information is presented to and reviewed by management independent of the race and sports book on at least a monthly basis.
56. The above referenced management investigates any unusual statistical fluctuations with race and sports book personnel. This review will be performed by comparing the current period statistics for each type of event with those of applicable prior periods.
57. The results of such investigations are documented in writing and maintained.

Wagering Accounts

The following standards represent the minimum acceptable credit procedures. If credit adjustments are listed on the NGC tax returns, the requirements of Regulation 6.120 must also be met.

58. Before a book accepts a wager or receives wagering information from a patron by wire communication:
 - a. The patron must personally appear at the premises of the book.

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- b. An employee of the book examines, in the patron's presence, the patron's valid driver's license or other reliable identity credential.
 - c. The employee must record:
 - 1) The patron's name, permanent home address (other than a post office box number), and home telephone number.
 - 2) The patron's mailing address and, if the mailing address is not a post office box number and is a residence or place of business of the patron, the telephone number of the residence or place of business.
 - 3) The patron's date of birth and social security number.
 - 4) The method used to verify the patron's identity and residence, and a description, including the document number, of the identity credential examined.
 - 5) The patron's approved credit limit or the amount of the patron's initial front money deposit.
 - 6) The patron's account number with the book.
 - 7) The date the patron's account with the book is opened.
59. For each account established by a book permitting a patron to wager on credit, the book shall:
- a. Record and verify such information as is necessary for the efficient collection of debts, including the name and address of the patron for whom the book establishes the account.
 - b. Comply with the requirements for establishing wagering accounts pursuant to Regulation 22.

Wire Communication Wagers

60. Procedures are established to prevent the acceptance of wagers from persons other than the bettors for whom wagering accounts are established, to ensure the proper identity of patrons making wagers by wire communication, and to verify that the wire communication originated in Nevada.
61. For each wagering or credit account established, the computer shall record:
- a. The date, amount, and a description of each debit and credit to the account.
 - b. For each wager accepted:

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- 1) The date the book accepts the wager.
 - 2) The number of the betting ticket.
 - 3) The amount of the wager.
- c. The personal identification number or other security code, if any, assigned to the patron.
62. All credit limits in excess of a specified amount (not to exceed \$20,000) are approved in advance by management independent of the book, if possible, or at a minimum by an individual at the level of book manager.
63. A master listing of all wagering accounts is prepared and reconciled to the individual account balances at least monthly.

Write-Off Standards

64. Written-off wagering accounts are authorized in writing by at least two management officials from departments independent of the credit transaction.
65. Access to written-off wagering accounts/credit instruments are restricted to individuals specified by management.

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PARI-MUTUEL WAGERING

Note 1: For any Board-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards will be acceptable.

Note 2: The term "SAM" as used in these standards refers to a "screen activated machine".

Betting Ticket and Equipment Standards

1. All pari-mutuel wagers must be transacted through the pari-mutuel system. In case of computer failure between the pari-mutuel book and the hub, no tickets may be manually written.
2. Whenever a betting station is opened for wagering or turned over to a new writer/cashier, the writer/cashier signs on and the computer documents casino name, station number, the writer/cashier identifier, and the date and time.
3. A betting ticket consists of at least three parts:
 - a. An original which is transacted and issued through a printer and given to the patron.
 - b. A copy which is recorded concurrently with the generation of the original ticket either on paper or other storage media (e.g., tape or diskette).
 - c. A restricted copy which is not accessible to book employees.
4. Upon accepting a wager, the betting ticket which is created contains the following:
 - a. An alpha-numeric ticket number.
 - b. Casino name and station number.
 - c. Race track, race number, horse identification or event identification, as applicable.
 - d. Type of bet(s), each bet amount, total number of bets, and total take.
 - e. Date and time.
5. If a book voids a betting ticket then:
 - a. A void designation is immediately branded by the computer on the ticket.
 - b. A ticket can be voided manually by inputting the ticket sequence number and immediately writing/stamping a void designation on the original ticket.

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- c. All voids are signed by the writer/cashier and the supervisor at the time of the void.
 - d. Not-in-computer voids are either prohibited or, if not-in-computer voids are permitted, no adjustment to gross revenue may be made.
6. Future wagers are accepted and processed in the same manner as regular wagers.

Payout Standards

- 7. Prior to making payment on a ticket the writer/cashier inputs the ticket for verification and payment authorization.
- 8. The system brands the ticket with a paid designation, the amount of payment and date, or if a writer/cashier manually inputs the ticket sequence number into the computer, the writer/cashier immediately date stamps and writes/stamps a paid designation on the patron's ticket.
- 9. The computer is incapable of authorizing payment on a ticket which has been previously paid, a voided ticket, a losing ticket, or an unissued ticket.
- 10. In case of computer failure, tickets may be paid. In those instances where system failure has occurred and tickets are manually paid, a log will be maintained which includes:
 - a. Date and time of system failure.
 - b. Reason for failure.
 - c. Date and time system restored.
- 11. All manually paid tickets are entered into the computer system as soon as possible to verify the accuracy of the payout (this does not apply to purged, unpaid winning tickets). All manually paid tickets must be regraded as part of the end-of-day audit process should the computer system be inoperative.

Checkout Standards

- 12. Whenever the betting station is closed or the writer/cashier is replaced, the writer/cashier signs off and the computer documents the casino name, station number, the writer/cashier identifier, the date and time, and cash balance.
- 13. For each writer/cashier station a summary report is completed at the conclusion of each shift including:
 - a. Computation of cash turned in for the shift.
 - b. Signatures of two employees who have verified the cash turned in for the shift.

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PARI-MUTUEL WAGERING

Employee Segregation

14. Pari-mutuel book employees are prohibited from wagering on race/sporting events while on duty, including during break periods. (Pari-mutuel race book employees are not prohibited from placing wagers from the customer area in the sports pool, and pari-mutuel sports book employees are not prohibited from placing wagers from the customer area in the race book.)

Computer Reports

15. Adequate documentation of all pertinent pari-mutuel information is generated by the computer system.
16. This documentation is restricted to authorized personnel.
17. The documentation is created daily and includes, at a minimum:
- a. Ticket/voucher number.
 - b. Date/time of transaction.
 - c. Type of wager.
 - d. Horse identification or event identification.
 - e. Amount of wagers (by ticket, writer/SAM, track/event, and total).
 - f. Amount of payouts (by ticket, writer/SAM, track/event, and total).
 - g. Tickets refunded (by ticket, writer, track/event, and total).
 - h. Unpaid winners/vouchers ("outs") (by ticket/voucher, track/event, and total).
 - i. Voucher sales/payments (by ticket, writer/SAM, and track/event).
 - j. Voids (by ticket, writer, and total).
 - k. Future wagers (by ticket, date of event, total by day, and total at the time of revenue recognition).
 - l. Results (winners and payout data).
 - m. Breakage data (by race and track/event).
 - n. Commission data (by race and track/event).
 - o. Purged data (by ticket and total).
18. The system generates the following reports:

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- a. A daily reconciliation report that summarizes totals by track/event, including write, today's winning ticket total, total commission and breakage due the licensee, and net funds transferred to or from the licensee's bank account.
- b. An exception report that contains a listing of all system functions and overrides not involved in the actual writing or cashing of tickets, including sign-on/offers, voids, and manually input paid tickets.
- c. A purged ticket report that contains a listing of ticket numbers, description, ticket cost and value, and date purged.

Accounting and Auditing Functions

- 19. The pari-mutuel audit is conducted by someone independent of the race, sports, and pari-mutuel operations.
- 20. Documentation is maintained evidencing the performance of all pari-mutuel accounting and auditing procedures.
- 21. An accounting employee examines the daily reconciliation report, compares it to the revenue summary produced by the system, and recalculates the net amount due to or from the systems operator. An accounting employee reconciles transfers with the bank statements on a monthly basis.
- 22. The auditor verifies daily cash turn-in by comparing actual cash turned in to cash turn-in per pari-mutuel reports.
Note: Beginning balance, (+) fills (draws), (+) net write (sold less voids), (-) payouts (net of IRS withholding), (-) moneybacks (pays), (=) cash turn-in.
- 23. For one track/event per day, the auditor verifies commissions per the daily reconciliation report by recalculating track/event commissions.
- 24. For the track/event selected above, the auditor will verify daily transfers due to/from the systems operator by recalculating the deposits.
Note: Net sales, (+) negative breakage, (-) commissions, (-) positive breakage, (-) accrual pays, (=) deposit.

- 25. An accounting employee produces a gross revenue recap report to calculate gross revenue on a daily and month-to-date basis, including the following totals:

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- a. Commission.
 - b. Positive breakage.
 - c. Negative breakage.
 - d. Track/event fees.
 - e. Track/event fee rebates.
 - f. Purged tickets.
26. Track/event fees and track/event fee rebates are traced to the invoices received from the systems operator.
27. All winning tickets and vouchers from the SAM's are removed on a daily basis by an accounting employee.
28. SAM's winning tickets and vouchers are immediately delivered to the accounting department.
29. The auditor performs the following procedures:
- a. For one SAM per day, foot the winning tickets and vouchers deposited and trace to the totals of SAM activity produced by the system.
 - b. Foot the listing of cashed vouchers and trace to the totals produced by the system.
 - c. Review all exceptions for propriety of transactions and unusual occurrences.
 - d. Review all voids for propriety.
 - e. For one day per week, verify the results as produced by the system to the results provided by the wire service.
 - f. For one day per week, regrade 1% of paid (cash) tickets to ensure accuracy and propriety.
 - g. When applicable, reconcile the daily totals of future tickets written to the totals produced by the system for both unearned and earned take, and review the reports to ascertain that future wagers are properly included on the day of the event.
30. At least annually the auditor will perform the following:
- a. Foot the wagers for one day and trace to the total produced by the system.

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- b. Foot the customer copy of paid tickets for one day and trace to the total produced by the system.
31. At least one day per quarter, the auditor will recalculate and verify the change in the unpaid winners to the total purged tickets.

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ENTERTAINMENT

Entertainment Sales Controls

1. All sales in areas subject to casino entertainment tax are recorded in such a manner as to be readily identifiable by individual sale, in total, and by area for applicable periods of entertainment status.
2. All sales are identifiable by type (i.e., taxable, nontaxable and complimentary).
3. Internal cash register tape/information is inaccessible to bartenders/cashiers (e.g., keys are maintained by an individual independent of these functions).
4. All cash register overrings or admission ticket voids require the authorization and verification of the shift supervisor or another individual independent of the transaction.
5. All food, beverage, and admission complimentarys require the authorization of appropriate personnel.
6. The computation of cash proceeds for each bartender/cashier is documented, verified, and signed by at least two employees.
7. The bartenders'/cashiers' banks are reconciled to the entertainment sales with an investigation being performed into large cash overages or shortages.
8. Show admission tickets are safeguarded, and appropriate procedures are employed in the distribution, use and control of same.

Package Programs

9. If package programs and/or discount show tickets are used, the following documentation is maintained:
 - a. Copies of the package programs, discount show tickets, fliers, and price breakdowns.
Note: For licensees that elect to pay casino entertainment tax on retail, price breakdowns are not required for package programs.
 - b. Effective dates of the above items.
 - c. Number of packages/tickets sold by type.
 - d. Retail price of each item in the packages (a reasonable monthly estimate/average will be acceptable).

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Accounting Standards

10. The dates and time periods during which taxable entertainment is provided are documented.
Note: The above information may be documented by a department other than accounting.
11. Entertainment contracts, if used, are reviewed and reconciled to the periods during which entertainment sales are made.
Note: A reconciliation is not necessary for locations with a consistent and routine showroom/lounge entertainment schedule which is documented and retained.
12. If less than 2,750 tickets are sold for an event and the event is determined to be nontaxable, records are maintained supporting the nontaxable status.
13. For licensees that report entertainment revenue based on admission tickets redeemed, records are maintained that reconcile show admission ticket sales to redeemed tickets, by type of ticket.
14. Food and beverage summaries are reviewed to verify the propriety of complimentary charges.
15. Recording procedures for entertainment sales (see Standard #1) are monitored for correctness at least monthly by someone independent of those procedures.
Note: This standard does not apply to Group II licensees.
16. All entertainment period sales, including complimentary, are summarized and posted to the accounting records.
17. For locations with non-computerized entertainment sales systems, all cash register tapes are reviewed to ensure the register was totaled/subtotaled properly.
18. For each entertainment area, at least annually accounting personnel foot individual sales subject to casino entertainment tax (i.e., on the cash register tape or the computerized system transaction report) and trace the total to the total on the tape/system. Any variances are documented and maintained.
Note: Board approved software may be used to perform this standard.
19. Documentation (e.g., a log, checklist, etc.) is maintained evidencing the performance of all entertainment accounting standards.

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CAGE AND CREDIT

Note 1: Category A is defined as those licensees whose pit credit issues on NGC-31's for the 12 months ended June 30 exceed the greater of (a) \$400,000 or (b) twenty percent (20%) of gross gaming revenue. All standards apply to category A.

Category B is defined as those licensees issuing lesser amounts. Standards numbered 5, 14, 19, 20, 21 and 43 do not apply to Category B.

The term "licensee" is intended to include race and sports books who cash checks for patrons.

Note 2: If a licensee has no pit credit and makes no adjustments for returned checks or cage credit on their NGC-1's, only Standards 10-13 and 29-37 are applicable.

Note 3: The following standards represent minimum acceptable credit procedures. The requirements of Regulation 6.120 must also be met if credit instruments are not to be included in gross gaming revenue.

Note 4: For any Board-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards will be acceptable.

Authorization and Extension of Credit

1. At least the following information is recorded for patrons who have credit limits or are issued credit greater than \$1,000 (excluding payroll checks, cashier's checks, and travelers checks):
 - a. Patron's name, current address, and signature.
 - b. Identification verifications.
 - c. Authorized credit limit.
 - d. Documentation of authorization by an individual designated by management to approve credit limits.
 - e. Credit issuances and payments.
2. Prior to extending credit, the patron's credit card and/or other documentation is examined to determine the following:
 - a. Properly authorized credit limit.

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- b. Whether remaining credit is sufficient to cover the advance.
 - c. Identity of the patron (except for known patrons).
3. Credit extensions over a specified dollar amount are approved by personnel designated by management.
 4. Proper approval of credit extensions over 10 percent of the previously established limit or \$1,000, whichever is greater, is documented.
 5. The job functions of credit approval (i.e., establishing the patron's credit worthiness) and credit extension (i.e., monitoring patron's credit play activity/availability) are segregated for credit extensions to a single patron of \$10,000 or more per day (applies whether extended in the pit or the cage).
 6. If cage credit is extended to a single patron in an amount exceeding \$2,500, applicable gaming personnel are notified on a timely basis of the patrons playing on cage credit, the applicable amount of credit issued, and the available balance.
 7. Cage marker forms are at least two parts (the original marker and a payment slip), prenumbered by the printer or concurrently numbered by the computerized system, and utilized in numerical sequence.
 8. The completed original cage marker contains at least the following information: marker number, player's name and signature, and amount of credit issued (both alpha and numeric).
 9. The completed payment slip includes the same marker number as the original, date and time of payment, amount of payment, nature of settlement (cash, chips, etc.), and signature of cashier receiving the payment.
 10. If personal checks, cashier's checks, or payroll checks are cashed (except for instruments cashed which are supported by the documentation in item #1), the cage cashier:
 - a. Examines and records at least one item of patron identification (e.g., driver's license).
 - b. Records a bank check guarantee number or type of credit card and expiration date (not required for third party checks, e.g., payroll checks and cashier's checks).
 - c. Makes a reasonable effort to verify business authenticity (for payroll checks).

Note: If a check guarantee service is used to guarantee payment of an instrument, then this standard does not apply.
 11. Counter checks in excess of \$1,000 are not issued unless the information required by item #1 has been documented.
 12. When counter checks are issued, the following is included on the check:

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- a. The patron's name and signature.
 - b. The dollar amount of credit extended (both alpha and numeric).
 - c. Date of issuance.
 - d. Signature or initials of the individual approving the credit extension.
13. When travelers checks/guaranteed drafts are presented, the cashier must comply with the examination and documentation procedures as required by the issuer.
14. If outstanding credit instruments are transferred to branch offices, collection agencies, or other collection representatives, a copy of the credit instrument and a receipt from the collection representative are obtained and maintained until such time as the credit instrument is returned or payment is received.
15. A detailed listing is maintained to document all outstanding credit instruments which have been transferred to other offices as indicated above. (Branch offices maintain a detailed listing of outstanding credit instruments in their custody.)
16. The above listing is prepared or reviewed by an individual independent of credit transactions and collections thereon.

Payment Standards

17. All payments received on outstanding credit instruments are permanently recorded in the licensee's records and at the branch office (if applicable).
18. When partial payments are made on credit instruments, they are evidenced by a multi-part receipt (or another equivalent document) which contains:
- a. The same receipt number on all copies.
 - b. Patron's name.
 - c. Date of payment.
 - d. Dollar amount of payment (or remaining balance if a new marker is issued), and nature of settlement (cash, chips, etc.).

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- e. Signature or initials of individual receiving payment.
- f. Number of marker on which payment is being made.

Note: The following three standards do not apply if account balances are routinely confirmed on a random basis by the accounting or internal audit departments, if statements are mailed by someone independent of the credit transactions and collections thereon, and the department receiving payments cannot access cash.

- 19. The routing procedures for payments by mail require that they are received by a department independent of credit instrument custody and collection.
- 20. Such receipts by mail are documented on a listing indicating the following:
 - a. Customer's name.
 - b. Amount of payment.
 - c. Nature of payment (if other than a check).
 - d. Date payment received.
- 21. The total amount of the listing of mail receipts is reconciled with the total mail receipts recorded on the appropriate accountability by the accounting department on a random basis (for at least 3 days per month).

Access to Credit Documentation

- 22. Access to the credit information is restricted to those positions which require access and are so authorized by management.
- 23. Access to outstanding credit instruments is restricted to persons authorized by management.
- 24. Access to written-off credit instruments is further restricted to individuals specified by management.

Documentation

- 25. All extensions of cage credit, pit credit transferred to the cage and subsequent payments are documented on a credit instrument control form.

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26. Records of all correspondence, transfers to and from outside agencies, and other documents related to issued credit instruments are maintained.

Write-Off and Settlement Standards

27. Written-off or settled credit instruments are authorized in writing.
28. Such authorizations are made by at least two management officials, other than branch office personnel, who are from departments independent of the credit transaction.

Customer Deposits

29. The receipt or withdrawal of a customer deposit is evidenced by at least a two-part document with one copy going to the customer and one copy remaining in the cage file.
30. The multi-part receipt contains the following information:
- a. Same receipt number on all copies.
 - b. Customer's name and signature.
 - c. Date of receipt and withdrawal.
 - d. Dollar amount of deposit/withdrawal.
 - e. Nature of deposit (cash, check, chips).

Note: Provided ALL of the above information (a through e) is available, the only required information for all copies of the receipt is the receipt number.

31. Procedures are established to:
- a. Maintain a detailed record by patron name and date of all funds on deposit.
 - b. Maintain a current balance of all customer deposits which are in the cage/vault inventory or accountability.
 - c. Reconcile this current balance with the deposits and withdrawals at least daily.

Cage/Vault Accountability

32. All transactions that flow through the casino cage are summarized on a cage accountability form on a per shift basis.

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- 33. Increases and decreases to the cage inventory are supported by documentation.
- 34. The cage and vault inventories (including coin rooms/vaults) are counted by at least two persons and recorded at the end of each shift during which activity took place (at least once daily).
- 35. All net changes in outstanding casino accounts receivables, including all returned checks, are summarized on a cage accountability form or similar document on a per shift basis.
- 36. Such information is summarized and posted to the accounting records on at least a monthly basis.

Accounting Standards

Note: The term casino accounts receivable, as used in these standards, includes any item (including returned checks) deducted on the NGC tax returns.

- 37. The cage accountability is reconciled to the general ledger at least monthly.
- 38. A trial balance of casino accounts receivable, including the name of patron and current balance, is prepared at least monthly for active, inactive, settled or written-off accounts. (A listing of written-off items, i.e., worthless items at the time of write-off, and another listing of payments on items previously written-off are acceptable.)
- 39. Reclassification of an unpaid balance between the various casino accounts receivable listings must not be reflected on the NGC tax returns.
- 40. The trial balance of casino accounts receivable is reconciled to the general ledger each month.
- 41. All casino accounts receivable listings are reconciled to the NGC tax returns each month.

Note: One method to perform the reconciliation is:

Change in listings balance (beginning balance less ending balance), (+) marker credits, (-) "net adjustments" (from line 2(d) on the NGC-1 tax return), (=) zero.

- 42. The reconciliation and any follow-up performed is documented and maintained.
- 43. On a monthly basis, calculate the collection percentage, looking for unusual trends, as follows:
 - a. The total of:
 - 1) Collections in areas other than the pit, and
 - 2) +/- Returned checks (if applicable).

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- b. Divided by the sum of:
 - 1) Pit marker credits, and
 - 2) Cage credit issues.

Auditing Standards

- 44. In addition to the internal audit standards, an individual independent of the cage, credit, and collection functions performs all of the following at least three times per year:
 - a. Ascertain compliance with credit limits and other established credit issuance procedures.
 - b. Randomly reconcile outstanding balances of both active and inactive accounts on the listing to individual credit records and physical instruments.
 - c. Examine credit records to determine that appropriate collection efforts are being made and payments are being properly recorded.
 - d. For a minimum of five (5) days per month, partial payment receipts are subsequently reconciled to the total payments recorded by the cage for the day and are numerically accounted for.
- 45. All cage and credit accounting/auditing procedures and any follow-up performed is documented.

Branch Offices

- 46. Standard numbers 14 through 18 and 26 through 31 also apply to branch offices.
- 47. At least monthly a home office employee independent of branch office operations and the cage department reconciles the listing prepared pursuant to Standard number 15 to the credit issuances and payments recorded by the cage.

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Note 1: The Board may publish checklists, programs, and guidelines as a supplement to these Standards.

Note 2: Whenever possible internal audit observations are performed covertly (i.e., without the employees being knowledgeable that their activities are being observed).

Note 3: If the independent accountant also performs the internal audit function, the accountant must perform separate observations of the table games/slot drops and counts to satisfy the internal audit observation requirements and the independent accountant Regulation 6 compliance work requirements. The internal audit observations may not be used to satisfy the independent accountant's Regulation 6 compliance work requirement.

1. A separate internal audit department (whose primary function is performing internal audit work and who is independent with respect to the departments subject to audit) is maintained by licensees who meet either of the following criteria:
 - a. A single licensee having gross gaming revenue in excess of \$10 million for the 12 months ended June 30; or
 - b. Two or more licensees with essentially common ownership and/or management having combined gross gaming revenue in excess of \$10 million for the 12 months ended June 30. (In such cases a single internal audit department for the combined properties is adequate.)
- Note: An independent accountant is considered acceptable in lieu of an independent department provided all required standards are met.**
2. For licensees who are not required to maintain a separate internal audit department, personnel who are independent with respect to the departments/procedures being examined perform internal audit work.
 3. Documentation (e.g., checklists, programs, reports, etc.) is prepared to evidence all internal audit work performed as it relates to these requirements.
 4. The results of internal audit work are reported to management or ownership personnel who are independent of the departments under audit.
 5. All material exceptions resulting from internal audit work are investigated and resolved, with the results of such being documented and retained for five years.

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6. Observations and examinations of the following activities, with emphasis on compliance with the Regulation 6 Minimum Internal Control Standards, are performed (based on the licensee's business year end) on the following activities as applicable to the operation:

The following are reviewed at least once during every six-month period:

- a. Table games - fill and credit procedures, pit credit play procedures, rim credit procedures, soft drop/count procedures and the subsequent transfer of funds, surprise testing of count room currency counters, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies.
- b. Slots - jackpot payout and slot fill procedures, slot drop/count and currency acceptor drop/count and subsequent transfer of funds, surprise testing of weigh scale and weigh scale interface, surprise testing of count room currency counters, slot machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, and compliance with EPROM duplication procedures.

The following are reviewed at least annually:

- c. Keno - game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures.
- d. Card games - card games operation, monetary exchange procedures, shill transactions, and count procedures.
- e. Bingo - bingo card control, payout procedures, and cash reconciliation process.
- f. Entertainment - procedures for initial recording of entertainment revenue, cash turn-in procedures, accounting procedures, and package program allocations.
- g. Race and sports book - write and payout procedures, sensitive key location and control, race and sports book auditing procedures, and compliance with Regulation 22.
- h. Pari-mutuel wagering - write and payout procedures, pari-mutuel auditing procedures, and compliance with Regulations 26A and 26B.
- i. Cage and credit procedures - all cage, credit, and collection procedures, and the reconciliation of trial balances to physical instruments on a sample basis.
- j. Cage accountability is reconciled to the general ledger.
- k. Electronic data processing functions - review for compliance with EDP standards.

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7. At least annually, gross revenue is reconciled from the accounting records to the monthly NGC tax returns.
8. Branch offices having average total account balances of \$200,000 or more are visited and reviewed at least biennially. The review includes all credit and collection procedures, and the reconciliation of physical instruments to the listing maintained by the licensee of transfers to/from the branch office.
9. In addition to the observation and examinations performed under Standards #6 and #8 above, follow-up observations and examinations are performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the Board and/or the independent accountant. The verification is performed within six months following the date of notification.
10. At least annually the internal audit staff tests for compliance with Regulations 3.100, 5.160, 6.040, 6.050, 6.115, 6.130, 6.150, and 8.130.
11. Upon written request by a licensee, the Audit Division may provide written approval for internal audit personnel to waive the performance of one or more areas of review for a specific year due to the occurrence of unusual circumstances. Such approval is at the sole discretion of the division.

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General Controls

Standards 1 through 6 should be addressed in the system of internal control for each applicable gaming section.

1. The main computers (i.e., hardware, software and data files) for each gaming application (e.g., keno, race and sports, slots, etc.) and each casino entertainment application are in a secured area with access restricted to authorized persons, including vendors.
2. Gaming and food/beverage personnel are precluded from having unrestricted access to the secured computer areas.
3. The computer systems, including application software, are secured through the use of passwords or other approved means. Management personnel or persons independent of the department being controlled will assign and control access to system functions.
4. Passwords are controlled as follows unless otherwise addressed in these standards:
 - a. Each user must have their own individual password.
 - b. Passwords are changed at least quarterly with changes documented.
5. Adequate backup and recovery procedures are in place, and if applicable, include:
 - a. Daily backup of data files.
 - b. Backup of all programs.
 - c. Secured off-site storage of all backup data files and programs, or other adequate protection.
 - d. Recovery procedures are tested at least annually.
6. Adequate system documentation is maintained, including descriptions of both hardware and software, operator manuals, etc.

EDP Department

If a separate EDP department is maintained or if there are in-house developed systems, Standards 7 through 10 are applicable.

7. The EDP department is independent of the gaming areas (e.g., cage, pit, count rooms, etc.).

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8. EDP department personnel are precluded from unauthorized access to:
 - a. Computers and terminals located in gaming areas.
 - b. Source documents.
 - c. Live data files (not test data).
9. Program changes for in-house developed systems are documented as follows:
 - a. Requests for new programs or program changes are reviewed by the EDP supervisor. Approvals to begin work on the program are documented.
 - b. A written plan of implementation for new and modified programs is maintained and includes, at a minimum, the date the program is to be placed into service, the nature of the change (if applicable), a description of procedures required in order to bring the new or modified program into service (conversion or input of data, installation procedures, etc.), and an indication of who is to perform all such procedures.
 - c. Testing of new and modified programs is performed and documented prior to implementation.
 - d. A record of the final program or program changes, including evidence of user acceptance, date in service, programmer, and reason for changes, is documented and maintained.
10. Computer security logs, if generated by the system, are reviewed by EDP supervisory personnel for evidence of:
 - a. Multiple attempts to log-on. Alternatively, the system will deny user access after three attempts to log-on.
 - b. Changes to live data files.
 - c. Any other unusual transactions.

Note: This standard does not apply to personal computers.

Modems

11. If remote dial-up to any associated equipment is allowed for software support, the licensee must maintain an access log which includes: name of employee authorizing modem access, name of authorized programmer or manufacturer representative, reason for modem access, description of work performed, date, time, and duration of access.

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Optical Disk Document Storage

12. Documents may be scanned or directly stored to WORM ("Write Once Read Many") optical disk with the following conditions:
 - a. The optical disk must contain the exact duplicate of the original document.
 - b. All documents stored on optical disk must be maintained with a detailed index containing the casino department and date in accordance with Regulation 6.040(1). This index must be available upon Board request.
 - c. Upon request by Board agents, hardware (terminal, printer, etc.) must be provided in order to perform auditing procedures.
 - d. Controls must exist to ensure the accurate reproduction of records, up to and including the printing of stored documents used for auditing purposes.
13. If source documents and summary reports are stored on re-writeable optical disks, the disks may not be relied upon for the performance of any audit procedures, and the original documents and summary reports must be retained.

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Note 1: The Board may publish checklists, programs, and guidelines as a supplement to these Standards.

Note 2: Whenever possible internal audit observations are performed covertly (i.e., without the employees being knowledgeable that their activities are being observed).

Note 3: If the independent accountant also performs the internal audit function, the accountant must perform separate observations of the table games/slot drops and counts to satisfy the internal audit observation requirements and the independent accountant Regulation 6 compliance work requirements. The internal audit observations may not be used to satisfy the independent accountant's Regulation 6 compliance work requirement.

1. A separate internal audit department (whose primary function is performing internal audit work and who is independent with respect to the departments subject to audit) is maintained by licensees who meet either of the following criteria:
 - a. A single licensee having gross gaming revenue in excess of \$10 million for the 12 months ended June 30; or
 - b. Two or more licensees with essentially common ownership and/or management having combined gross gaming revenue in excess of \$10 million for the 12 months ended June 30. (In such cases a single internal audit department for the combined properties is adequate.)
- Note: An independent accountant is considered acceptable in lieu of an independent department provided all required standards are met.**
2. For licensees who are not required to maintain a separate internal audit department, personnel who are independent with respect to the departments/procedures being examined perform internal audit work.
 3. Documentation (e.g., checklists, programs, reports, etc.) is prepared to evidence all internal audit work performed as it relates to these requirements.
 4. The results of internal audit work are reported to management or ownership personnel who are independent of the departments under audit.
 5. All material exceptions resulting from internal audit work are investigated and resolved, with the results of such being documented and retained for five years.

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6. Observations and examinations of the following activities, with emphasis on compliance with the Regulation 6 Minimum Internal Control Standards, are performed (based on the licensee's business year end) on the following activities as applicable to the operation:

The following are reviewed at least once during every six-month period:

- a. Table games - fill and credit procedures, pit credit play procedures, rim credit procedures, soft drop/count procedures and the subsequent transfer of funds, surprise testing of count room currency counters, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies.
- b. Slots - jackpot payout and slot fill procedures, slot drop/count and currency acceptor drop/count and subsequent transfer of funds, surprise testing of weigh scale and weigh scale interface, surprise testing of count room currency counters, slot machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, and compliance with EPROM duplication procedures.

The following are reviewed at least annually:

- c. Keno - game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures.
- d. Card games - card games operation, monetary exchange procedures, shill transactions, and count procedures.
- e. Bingo - bingo card control, payout procedures, and cash reconciliation process.
- f. Entertainment - procedures for initial recording of entertainment revenue, cash turn-in procedures, accounting procedures, and package program allocations.
- g. Race and sports book - write and payout procedures, sensitive key location and control, race and sports book auditing procedures, and compliance with Regulation 22.
- h. Pari-mutuel wagering - write and payout procedures, pari-mutuel auditing procedures, and compliance with Regulations 26A and 26B.
- i. Cage and credit procedures - all cage, credit, and collection procedures, and the reconciliation of trial balances to physical instruments on a sample basis.
- j. Cage accountability is reconciled to the general ledger.
- k. Electronic data processing functions - review for compliance with EDP standards.

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7. At least annually, gross revenue is reconciled from the accounting records to the monthly NGC tax returns.
8. Branch offices having average total account balances of \$200,000 or more are visited and reviewed at least biennially. The review includes all credit and collection procedures, and the reconciliation of physical instruments to the listing maintained by the licensee of transfers to/from the branch office.
9. In addition to the observation and examinations performed under Standards #6 and #8 above, follow-up observations and examinations are performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the Board and/or the independent accountant. The verification is performed within six months following the date of notification.
10. At least annually the internal audit staff tests for compliance with Regulations 3.100, 5.160, 6.040, 6.050, 6.115, 6.130, 6.150, and 8.130.
11. Upon written request by a licensee, the Audit Division may provide written approval for internal audit personnel to waive the performance of one or more areas of review for a specific year due to the occurrence of unusual circumstances. Such approval is at the sole discretion of the division.

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CURRENCY TRANSACTION REPORTING

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CURRENCY TRANSACTION REPORTING

Applicability and Purpose

NGC Regulation 6A addresses the prohibition of certain transactions, the reporting of certain cash transactions and the reporting of suspicious transactions. Additionally, certain records are required to be prepared and maintained relative to Regulation 6A.

The purpose of these internal control standards is to provide 6A licensees with a framework for developing a system of internal control relative to Regulation 6A. Additionally, the Currency Transaction Reporting Minimum Internal Control Standards (6A MICS) are designed to supplement certain documentation and procedural requirements in Regulation 6A.

Pursuant to Regulation 6A.060, 6A licensees are required to prepare a system of internal control that includes detailed procedures the 6A licensee will use to comply with Regulation 6A and the 6A MICS. A 6A licensee's submitted system of internal control is considered the 6A licensee's compliance program that is required pursuant to Regulation 6A.060.

The 6A MICS apply to all Group I and II licensees that are designated, pursuant to Regulation 6A, as a "6A licensee".

For any Board-authorized computer applications, alternative documentation and/or procedures which provide at least the level of control described by these standards will be acceptable.

Definitions

The following terms have the same meaning in these standards as specified in Regulation 6A and, accordingly, are not repeated herein:

<u>Term</u>	<u>Where defined in Regulation 6A</u>
Branch office	6A.010(2)
Cash	6A.010(3)
CTRC-N	6A.030(9)
Designated 24-hour period	6A.010(5)
Patron	6A.010(8)
Known patron	6A.030(8)
Same type transactions	6A.040(5)(b)
Single visit	6A.040(5)(a)
6A licensee	6A.010(9)
Suspicious transaction	6A.100(1)(a)
SARC	6A.100(7)(b)

Other terms and their respective meanings as used in these standards are:

"Dissimilar cash-in transaction" means transactions that are aggregated pursuant to Regulation 6A.040(2)(b) and require reporting pursuant to Regulation 6A.040(3).

"Dissimilar cash-out transaction" means transactions that are aggregated pursuant to Regulation 6A.040(2)(c) and require reporting pursuant to Regulation 6A.040(3).

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"Loggable transaction" means a cash transaction of greater than \$3,000 that is required to be recorded on an MTL. If an officer, employee or agent of the licensee has knowledge of same type transactions, each \$3,000 or less, that aggregate to more than \$3,000, then the aggregate of such transactions is considered a loggable transaction (i.e., either the subtotal of the transactions or the individual transactions are recorded on an MTL).

Note: A reportable transaction that consists of a single Regulation 6A.030(1) transaction is also considered a loggable transaction.

"Multiple transaction" means transactions that are aggregated pursuant to Regulation 6A.040(2)(a) and require reporting pursuant to Regulation 6A.040(3).

"Reportable transaction" means a singular Regulation 6A.030(1) transaction, a multiple transaction, a dissimilar cash-in transaction or a dissimilar cash-out transaction that is required to be reported on a CTRC-N.

"Supplemental transaction" means a transaction that pursuant to Regulation 6A.040(4) is required to be reported on a CTRC-N.

Document Descriptions and Requirements

CTRC-N

1. CTRC-N forms are available to all departments which may encounter reportable transactions.
2. CTRC-N forms are completed in accordance with, and contain the information required in, Regulation 6A.030 for all reportable transactions.
3. A copy of each completed CTRC-N is retained in chronological order and is readily available for examination by appropriate regulatory and law enforcement agencies.

Multiple Transaction Log

4. A Multiple Transaction Log (MTL) is a log maintained in each monitoring area for purposes of recording information relative to cash transactions. Only one MTL, per monitoring area, is used at a time for each designated 24-hour period.
5. Each completed MTL is retained in chronological order for a minimum of five years and is readily available for examination by appropriate regulatory and law enforcement agencies.
6. An MTL contains the following information for each loggable transaction:
 - a. Description of the patron (or agent) which may include such identifiers as age, sex, race, eye color, hair, weight, height and attire.
 - b. Patron's name and agent's name, if known.

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- c. Table number, station number, window number or other identification of the location where the transaction occurred.
- d. Time and date of the transaction.
- e. Type of transaction as delineated in Regulation 6A.030(1).
- f. Dollar amount of the transaction or United States dollar equivalent, and the amount and type of foreign currency for foreign currency transactions.
- g. Signature of person recording each transaction.

SARC

- 7. SARC forms are available to all departments which may encounter suspicious transactions.
- 8. SARC forms are completed in accordance with Regulation 6A.100 and contain all the relevant information requested on the form. Pursuant to Regulation 6A.100(6), a completed SARC is considered a confidential document and the patron is not to be informed that a report was completed.
- 9. A copy of a completed SARC is retained, along with all supporting documentation, in chronological order and is readily available for examination by appropriate regulatory and law enforcement agencies.

Player Rating Records

- 10. Player rating records, when used as a source document for documenting cash activity and when used for the purposes of complying with Regulation 6A, are retained for a period of five years. Summary documents may be retained in lieu of original player rating records if:
 - a. The summary documents include, at a minimum, on a daily basis all the cash transaction information recorded on the original player rating records;
 - b. Original player rating records are retained for a minimum of seven days; and
 - c. Both original and summary player rating records are retained, if possible, when the records are used as support for a SARC.

Regulation 6A.050(2)(f) Recordkeeping Requirements

- 11. All gaming, safekeeping, or front money deposits and withdrawals are recorded in accordance with the Cage and Credit Minimum Internal Control Standards and such records are retained.
- 12. Records to support all transactions regarding a patron's credit issuances, payments or settlements of gaming debts in accordance with the Cage and Credit Minimum Internal Control Standards are maintained.

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13. Records to detail the components of every deposit made to a financial institution are created and maintained. The records contain enough detail in order to reconcile and match the components of a total deposit with a bank with the detail contained in other required records.
 14. Documentation of any checks accepted for the purchase of over \$3,000 worth of chips, tokens, gaming instrumentalities, or any other noncash item, is created and maintained.
 15. A record of all checks and negotiable instruments accepted in an amount greater than \$3,000 is created and maintained. The record is in the form of either:
 - a. Photocopies of both sides of checks and negotiable instruments;
 - b. Optical scan of both sides of checks and negotiable instruments; or
 - c. Microfilm of both sides of checks and negotiable instruments.
- Note: If a check or a negotiable instrument is presented for the purpose of receiving cash and the presenter is someone other than the drawer of the instrument, then the patron's identification credential is obtained and the patron's name is included in the record. The patron's address and a description of the patron's identification credential is also included in the record unless the information is contained in other licensee documentation.**
16. Records to support all transactions regarding the issuance of a check or other negotiable instrument, or transfer of funds, for an amount greater than \$3,000, in exchange for a check, negotiable instrument or a transfer of funds are maintained. A patron's identification credential is obtained and the patron's name is included in the record. The patron's address and a description of the patron's identification credential is also included in the record unless the information is contained in other licensee documentation. The records include documentation of the purpose of the transaction and a photocopy, optical scan or microfilm copy of both sides of any check or negotiable instrument received .

Gaming Department Procedures

Note: The standards in this section apply to all gaming departments, and other departments such as security, cage, and branch offices that are responsible for compliance with Regulation 6A.

Job Duties and Responsibilities

17. Job duties and responsibilities of officers, employees and agents who are able to conduct, record or approve loggable or reportable transactions, or who are able to conduct prohibited transactions include the following as applicable to their position:
 - a. Ensuring that prohibited transactions pursuant to Regulation 6A.020 do not occur;
 - b. Properly recording all transactions that fall under the criteria of Regulation 6A on the appropriate forms and logs and in the manner prescribed by the 6A MICS;

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- c. Making a diligent effort to prevent the circumvention of the prohibitions of Regulation 6A.020 or the reporting and recordkeeping requirements of Regulation 6A.030 by multiple transactions within a designated 24-hour period;
- d. Being familiar with what is considered a suspicious transaction, and making a diligent effort to identify and report suspicious transactions; and
- e. Having knowledge of Regulation 6A and the 6A MICS.

Note: For Regulation 6A purposes, an independent agent pursuant to Regulation 25, or other person who is not an employee or officer of the licensee or a branch office, is considered an agent of the patron, rather than of the licensee, when party to a transaction for the benefit of another person. Employees or officers, when performing tasks in the performance of their duties on behalf of a patron, are considered the handler of the transaction rather than an agent of the patron. Employees or officers, when conducting a transaction not related to the performance of their duties but rather for their own benefit, are considered a patron for a transaction (or an agent if the transaction was for another person's benefit).

CTRC-N Procedures

18. When a patron attempts to complete a Regulation 6A.030 type transaction, or attempts to complete a Regulation 6A.030 type transaction that would cause the patron's transactions to exceed the \$10,000 threshold to determine reportability in a monitoring area, the individual handling the transaction :

- a. Initiates the procedures for the reporting requirements of Regulation 6A. If the patron decides to proceed with the transaction, then the procedures in part b of this standard are completed. If the patron decides not to proceed, a CTRC-N will not be prepared and the transaction is terminated.
- b. Prior to completing the transaction:
 - 1) Obtains the patron's name and identification credential;
 - 2) Obtains, or reasonably attempts to obtain, the patron's permanent address, social security (or EIN) number; and
 - 3) Examines the identification credential, including the expiration date, verifies the patron's identity and to the extent possible, the information obtained in (2) above.

Note: Using a patron's driver's license is the preferred method for verification of appropriate information. If a driver's license cannot be obtained, a passport, non-resident alien identification card, other government issued identification credential or other picture identification credential normally acceptable as a means of identification when cashing checks is acceptable.

Note 1: Standard no. 18 also applies to an agent of the patron.

Note 2: In the pit, pit supervisory personnel are considered the individuals handling transactions.

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19. As an option to requesting the necessary identification and other data from a known patron as required in standard no. 18, information on file may be used if:
- a. The handler of the transaction knows the patron;
 - b. The patron's name and appropriate identification credential were previously obtained from the patron;
 - c. The information is on file to properly complete a CTRC-N;
 - d. The patron information on file is periodically updated as follows:
 - 1) Original identification credentials are examined at least every three years;
 - 2) Documentation of the examinations is included in the information on file; and
 - 3) Expiration dates of identification credentials are included in the information on file; and
 - e. The transaction date is prior to the expiration date on file.

Note: Standard no. 19 also applies to an agent of the patron.

20. Subsequent to obtaining assurance that the reportable transaction or supplemental transaction can be properly recorded, all required information is entered on the CTRC-N. Use "NONE", "N/A" for not applicable, "REFUSED", and "U/A" for unavailable as appropriate to complete the report.

Note 1: If a patron refuses to provide a social security number and the number is not available from the 6A licensee's records or the patron does not have a social security number, indicate "REFUSED" or "NONE," as applicable, in the social security number box on the report.

Note 2: If a patron refuses to provide a permanent address and the address is not available from the 6A licensee's records, a patron does not have a permanent address, or will only provide a post office box number for an address, indicate "REFUSED," "NONE" or the post office box number, as applicable, in the address box on the report.

Note 3: If an agent is involved in a transaction and the patron (other than an organization) was not identified or a credential was not available from the licensee's records, indicate "U/A" in the patron method box on the report.

Note 4: If, in error, a transaction is completed for a patron without first obtaining an appropriate identification credential from the patron or the patron is no longer available to ask for a credential, indicate "REFUSED" or "U/A," as applicable, in the patron method box on the report.

21. Before completing the last transaction within a series of transactions where the total of a patron's transactions will exceed the \$10,000 threshold of a reportable transaction (i.e., the series of transactions will become a multiple transaction, a dissimilar cash-in transaction or a dissimilar cash-out transaction if the transaction is completed), the identification requirements in standard no. 18 or no. 19 apply. Once the last transaction is completed, a reportable transaction has occurred and the reporting requirements of Regulation 6A.030 apply.

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22. For a single cash table game wager of more than \$10,000, identification requirements in either standard no. 18 or no. 19 are complied with before accepting the wager. In the case of a series of transactions where a cash table game wager is the last transaction in the series that would cause the series to exceed \$10,000, identification requirements in either standard no. 18 or no. 19 are complied with before accepting the wager.
23. In any situation where the identification requirements in either standard no. 18 or no. 19 cannot be completed, the transaction is terminated. In the case of a dispute, the casino shift manager or another individual of authority will be notified.
24. In any situation where identification requirements are not complied with but the transaction was completed, the patron is barred from further gaming and a CTRC-N is prepared, all in accordance with Regulation 6A.030(7). For purposes of barring the patron, the description (and name, if known) of the patron is communicated to all personnel in security, gaming or gaming related areas, the accounting department and affiliates.
25. The handler of the transaction signs the CTRC-N prior to transmitting the CTRC-N to the accounting department. The forms are sent to the accounting department within 24 hours after the end of the designated 24-hour period.

MTL Procedures

26. A period of time is set forth for which each department has designated an established cut-off point for the monitoring of transactions over a 24-hour period. Monitoring areas are established within each department for this purpose. Such areas are established at each single specific cage including race and sports book cages, for the table games and card games department at each single specific gaming pit or grouping of tables supervised by one individual, for the slot department at least at each high denomination (i.e., \geq \$25) slot area and for keno, bingo and race and sports book departments at the entire writer/seller area. Such monitoring areas and cut-off times are delineated within the system of internal control submitted to the Board and establish the designated 24-hour period used in monitoring areas.
27. To make a diligent effort to prevent the circumvention of the prohibitions of Regulation 6A.020 or the reporting and recordkeeping requirements of Regulation 6A.030 by multiple transactions, dissimilar cash-in transactions or dissimilar cash-out transactions, officers, employees or agents in each monitoring area shall:
 - a. Maintain MTL's.
 - b. For transactions that they handle, record loggable transactions on MTL's and include the information described in standard no. 6 for the transaction. Loggable transactions are recorded immediately after their occurrence.
 - c. At the beginning of each shift, review the MTL for the applicable area of responsibility in order to become familiar with descriptions of individuals whose transactions are being monitored.
 - d. Notify other personnel in the same monitoring area that the monitoring process has been initiated for a particular patron.

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- e. During the designated 24-hour period, a patron's transactions are monitored for possible supplemental transactions and reportable transactions.
 - f. Record on MTL's any and each succeeding loggable transaction for individuals being monitored.
28. At the conclusion of the designated 24-hour period a new MTL is started, the recording of information on the previous MTL is ceased, and an indication as to the end of the designated 24-hour period is recorded on the MTL.
29. An MTL is completed for each designated 24-hour period for each monitoring area, regardless of whether any loggable transactions have occurred.
- Note: If no loggable transactions were observed for the designated 24-hour period, an indication such as "no action" is to be recorded on the MTL.**
30. On a routine basis, but not to be longer than 24 hours after the end of a designated 24-hour period, MTL's are submitted to the accounting department.

SARC Procedures

31. An individual is designated to oversee the reporting of suspicious transactions and is referred to in these standards as the "suspicious activity analyst." The suspicious activity analyst may have other job duties and the compliance specialist may be designated as this analyst.
32. When an officer, employee or agent of the licensee determines that a possible suspicious transaction has occurred, the suspicious activity analyst is notified.
33. The suspicious activity analyst reviews each possible suspicious transaction and assists in determining whether a suspicious transaction has occurred.
34. For suspicious transactions, appropriate personnel complete a SARC within 24 hours once the transaction is considered suspicious. The SARC is forwarded to the accounting department within 24 hours of the completion of the form.

Gaming, Safekeeping or Front Money Deposits

35. All gaming, front money or safekeeping deposit and withdrawal transactions greater than \$3,000 are recorded on a receipt form in accordance with Cage and Credit Minimum Internal Control Standards and in accordance with Regulation 6A.020(7). If funds are physically segregated, an indication of such is recorded on the receipt form.
- Note: The above standard also applies to any deposits made in foreign currency.**
36. The nature of any noncash deposit is documented on the receipt form.
37. The method or methods used to accommodate deposits (i.e., physically segregating or recording the denomination and number of bills) is described in the system of internal control submitted to the Board.

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38. When a patron's cash deposit is transferred to a licensee's affiliate, the denomination and the number of bills of each denomination of the cash deposited is communicated to the affiliate. The affiliate will, for all full and partial returns of each deposit, return to the patron only cash of the same denominations and no more than the same number of bills of each denomination as was deposited. For all full and partial returns of each delivery, the affiliate will record the denominations and the number of bills of each denomination of the cash returned and communicate to the transferring licensee this information.
39. If the cash deposit is verified gaming winnings, this fact is documented on the receipt form (e.g., slot jackpot, keno ticket, etc.). Additionally, for the cash deposit to be considered gaming winnings, the cash winnings remain within the sight of a casino employee between the time paid and the time deposited, and this employee's name is recorded on the receipt. Only a deposit that consists of verified winnings may be returned to a patron via a check, other negotiable instrument, wire or other electronic means of transfer and as long as the return does not violate any of the prohibitions of Regulation 6A.020 and, if applicable, transfer documentation pursuant to Regulation 6A.080 is maintained.

Note: A cash deposit is not considered put at risk by the issuance of a marker and thus cannot be treated as verified gaming winnings.

Other Procedures

40. A patron may be issued a check or other negotiable instrument, or the licensee may initiate a transfer of funds for the patron's benefit in exchange for verified cash gaming winnings (e.g., slot jackpot, keno ticket, etc.) only if the cash winnings remain within the sight of a casino employee between the time paid and the time delivered to the cage (or other appropriate place) for the processing of the exchange and, if applicable, transfer documentation pursuant to Regulation 6A.080 is maintained.

Note 1: For situations where a patron redeems chips for cash and then the patron requests a check, negotiable instrument or transfer of funds, the above standard applies.

Note 2: If the cash remains under the control or sight of the licensee, the payment of winnings (or redemption of chips) will be considered a noncash transaction; accordingly, the reporting and logging requirements are not applicable.

41. A patron may be issued a check or other negotiable instrument, or the licensee may initiate a transfer of funds for the patron's benefit in exchange for a withdrawal of funds from a race/sports book account only if the withdrawal consists of amounts verified to have been substantially accumulated by the patron through winning wagers and where any cash deposits to the account have been substantially (i.e., at least 75%) placed at risk by the patron and, if applicable, transfer documentation pursuant to Regulation 6A.080 is maintained. A consistent cash flow inventory method (e.g., first in, first out) is used to determine if deposits have been placed at risk. The same method is used for all patrons.

Note: If a patron's gaming account functions in the same manner as a race/sports book account whereby the account balance is reduced for wagers made, then standard no. 41 applies to that account.

42. If the licensee issues a check or other negotiable instrument, or the licensee initiates a transfer of funds for the patron's benefit pursuant to standard no. 40 and no. 41, documentation as to how the verification was made is created and is maintained (e.g., the name of the employee representing that the cash had been won by the patron and the name of the employee who had the cash remain in their sight between the time the cash was paid and the time delivered to the cage for the issuance of a check; a printout of

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the patron's account activity and the name of the employee attesting that any deposits had been risked; etc.) in addition to routine supporting documentation for a disbursement.

Note: If player rating records are used to support such a verification, those particular player rating records are retained.

43. For games other than table games, card games, and slot machines, when a patron makes a noncash wager greater than \$3,000, documentation of the nature of each of these wagers is made and maintained.
44. For games other than table games, card games, and slot machines, when a patron is paid greater than \$3,000 for a winning wager in a form other than cash, documentation of the nature this payout is made and maintained.
45. For chip/token redemptions of more than \$3,000, if the patron's name is not known, the applicable gaming area is contacted to inquire if the patron's name is available.

Transaction Type Clarifications

Note: The following standards detail how certain cash transactions should be classified or treated for MTL and CTRC-N purposes.

46. When a patron buys back with cash a check or other negotiable instrument previously tendered, the transaction is recorded on an MTL or a CTRC-N as "other cash in".
47. For patron gaming account cash withdrawals (including race/sports book account withdrawals) of deposits that were not made in cash, the transactions are recorded on an MTL or a CTRC-N with the transaction type associated with the nature of the deposit.
48. Patron gaming account cash withdrawals (including race/sports book account withdrawals) are recorded on an MTL or a CTRC-N as either a deposit withdrawal or a payment of winning wagers depending on the nature of the transaction.
49. Patron gaming account cash withdrawals (including race/sports book account withdrawals) that are a combination of a deposit withdrawal and a payment of winning wagers are recorded on an MTL or a CTRC-N as a dissimilar transaction.
50. Tournament or contest buy-ins and entry fees, or purchase of Regulation 12.090 nonnegotiable items, are recorded on an MTL or a CTRC-N as "other cash in".
51. Call bets, baccarat commissions or rim credit settled with cash are recorded as repayments of credit on an MTL or a CTRC-N.
52. For craps, all cash wagers won by the patron are recorded on an MTL or a CTRC-N as purchases of chips when the patron is paid in chips and does not receive back the cash wagered .
53. Multiple patrons and multiple agents may be recorded on a CTRC-N or an MTL for instances where more than one person is involved in the transaction such as a joint safekeeping account, a two-party check, or a junket representative conducting transactions for numerous patrons..

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54. If in a single visit an agent conducts transactions for more than one patron, then for reporting purposes patron information from all patrons is included on the CTRC-N. If more than one agent is associated with one patron, transactions are aggregated for the patron with agent information from all agents included on the CTRC-N.

Accounting Department Procedures

Job Duties and Responsibilities

55. Job duties and responsibilities of officers, employees and agents of the accounting department assigned to perform Regulation 6A related procedures include, as applicable to their position:
- a. Ensuring that prohibited transactions pursuant to Regulation 6A.020 do not occur;
 - b. Properly recording all transactions that fall under the criteria of Regulation 6A on the appropriate forms and logs and in the manner prescribed by the 6A MICS;
 - c. Making a diligent effort to prevent the circumvention of the prohibitions of Regulation 6A.020 or the reporting and recordkeeping requirements of Regulation 6A.030 by multiple transactions in a designated 24-hour period;
 - d. Being familiar with what is considered a suspicious transaction and with SARC reporting procedures; and
 - e. Having knowledge of Regulation 6A and the 6A MICS.

Procedures

56. The accounting department personnel:
- a. Receive CTRC-N's, SARC's and MTL's from the various departments and ensure that MTL's are received from all monitoring areas in accordance with established deadlines.
 - b. Review all documents for compliance with Regulation 6A and the 6A MICS. MTL's are reviewed to ensure that CTRC-N's were completed for all reportable transactions within a singular monitoring area.
 - c. Review CTRC-N's and SARC's for the recording of patron's social security number. All available patron records are reviewed to obtain the patron's social security number. If any Nevada affiliate or branch office has the information, the number will be recorded on the form prior to submission.
 - d. Document instances of noncompliance and attempts to obtain any missing information.
 - e. All exceptions discovered through this accounting review are forwarded to appropriate personnel.
 - f. Sign, where applicable, reports attesting to their review and remit CTRC-N's and SARC's in accordance with Regulations 6A.030 and 6A.100.

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- g. File a copy of each CTRC-N and SARC and the original MTL's in chronological order, and such documents shall be readily available for examination by appropriate regulatory and law enforcement agencies.
- h. Remit copies of completed SARC's to the suspicious activity analyst.

Note: Accounting department personnel performing the accounting procedures noted in standard no. 56 are independent of the generation of the documents being examined. Employees from a department other than the accounting department may perform the procedures in this standard if those employees are independent of the generation of the documents being examined.

- 57. On a routine basis, accounting personnel ensure that Regulation 6A documents and related documents, including those required by Regulation 6A and the 6A MICS, are properly maintained.

Compliance Specialist Procedures

- 58. The compliance specialist so designated pursuant to Regulation 6A.060(4):
 - a. Ensures that Regulation 6A procedure manuals or other appropriate documentation are in place and available to employees for reference purposes when needed.
 - b. Ensures that a training program is established, maintained and effective.
 - c. Ensures that the system of internal control relative to Regulation 6A is established, maintained and effective.
 - d. Reviews and evaluates any and all Regulation 6A exceptions and areas of noncompliance including reviewing internal audit, independent accountant, and Gaming Control Board findings. Associated follow-up is documented and maintained for Board review.
 - e. Compliance specialists may have other job duties but may not be responsible for performing gaming department procedures except for those associated with SARC-N procedures as specified in these standards.

Training Program

- 59. A training program is established and maintained to instruct employees as to the requirements of Regulation 6A, the 6A MICS, and the licensee's system of internal control.
- 60. A training coordinator is established who oversees the training program. The training coordinator may have other job duties and the compliance specialist may function in this capacity.
- 61. Records are maintained to document when training was provided, which employees received the training and the content of the training session.
- 62. Employees receive at least limited training commensurate with job responsibilities before they are permitted to function in any capacity where the possibility exists that they will encounter a Regulation

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6A reporting or recordkeeping requirement or a prohibited transaction . Accounting department employees receive at least limited training before they are permitted to function in any capacity that entails performing Regulation 6A related procedures.

63. Training is ongoing, and is provided in accordance with standard no. 65 at least once a year for each employee that functions in any capacity where the possibility exists that they will encounter a Regulation 6A reporting or recordkeeping requirement or a prohibited transaction, and for each accounting department employee that functions in any capacity that entails performing Regulation 6A related procedures .
64. Internal audit department employees placed in new positions receive training before they are permitted to perform any internal audit procedures relative to Regulation 6A. Internal audit department employees performing procedures relative to Regulation 6A receive training at least once every business year.
65. Training is specific to an employee's job duties and responsibilities relative to Regulation 6A, and may include, but is not limited to:
 - a. Presenting materials such as a copy of Regulation 6A, the 6A MICS, a CTRC-N, a SARC, suspicious transaction guidelines, an MTL, and any appropriate procedure manuals.
 - b. Explanations as to the purpose of each Regulation 6A document and how each document is used.
 - c. Explanations of prohibited transactions (Regulation 6A.020), loggable transactions, reportable transactions and suspicious transactions, and reviewing the duties, responsibilities and procedures associated with each employee's position.
 - d. Review the use of MTL's.
 - e. Explanation of the procedures for gaming, safekeeping or front money deposits.
 - f. Review the definition of a patron.
 - g. Review the proper completion of a CTRC-N and a SARC.
 - h. Review the definition of "known patron" and when "known patron - information on file" may be used on a CTRC-N.
 - i. Review the documentation and the records that need to be created and maintained relative to Regulation 6A.
 - j. Explanations of the consequences of noncompliance with Regulation 6A.

Internal Audit Procedures

Note: The Board may publish checklists, programs and guidelines as a supplement to the following internal audit standards.

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66. Internal audit procedures are performed to determine compliance with the provisions of Regulation 6A and the provisions of the 6A MICS. Procedures, at a minimum, include:

- a. Quarterly reviews of established procedures in effect for all departments.
- b. An annual examination of all types of documents prepared pursuant to Regulation 6A and the 6A MICS.

Note: Either business or calendar quarters/years may be used. The type of quarters/years used is delineated within the system of internal control submitted to the Board.

67. Procedures for the quarterly reviews include:

- a. Compliance walk-throughs of those departments where Regulation 6A transactions may occur, including interviews with employees who handle cash transactions, and are performed for all three shifts (rotated throughout the year);
- b. Examination of available Regulation 6A documentation including CTRC-N's, SARC's, and MTL's;
- c. General observations; and
- d. Sufficient procedures to address the following areas:
 - 1) Prohibited transactions as described in Regulation 6A.020 for all monitoring areas;
 - 2) Regulation 6A.020 requirements for all casino departments that accept gaming, front money, or safekeeping deposits (including telephone accounts); and
 - 3) Identification and reporting procedures for reportable transactions that may occur as the result of single, multiple and/or dissimilar transactions.

Note: If in the preceding business year a particular branch office had more than \$1,000,000 of cash transactions (both cash-in and cash-out transactions combined), then the internal audit department is required to perform a walk-through of that branch office only once (instead of quarterly) in either that business year or the following business year. No walk-throughs are required for those branch offices that had \$1,000,000 or less of cash transactions in the preceding business year.

68. Annual examinations include:

- a. Examinations of Regulation 6A documentation including CTRC-N's, SARC's, and MTL's with testing done on a sample basis with the sample including documents from each quarter;
- b. Examinations of casino records other than Regulation 6A documentation (e.g., safekeeping/front money records, cage/vault documentation, bank deposit records, credit play records, slot payout tickets, keno tickets, race/sports tickets for write and payouts, cash receipts/disbursements, etc.) on a sample basis to determine whether :
 - 1) CTRC-N's were completed and filed for all reportable transactions;

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- 2) SARC's were completed and filed for all transactions that were classified as suspicious transactions;
 - 3) The information contained within the CTRC-N's and SARC's was complete; and
 - 4) Prohibited transactions (Regulation 6A.020) have occurred; and
- c. An evaluation of the established system of internal control and the procedures in effect.
69. The performance and the results of the above internal audit procedures is documented. All exceptions discovered are also documented and forwarded to management (i.e., owners, board of directors, etc.) of the organization and to the department heads of those departments responsible for the noncompliance. Personnel performing internal audit work are also responsible for determining the corrective action taken for exceptions noted and documenting such findings.
70. Internal audit procedures performed are completed by those employees (or employees from affiliates) designated to perform such duties and who are independent of the functions being examined.

Note: An independent accountant may be engaged to perform all or part of the internal audit procedures.